Supreme Court, U.S.
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IN THE

Supreme Court of the United States

PARAMOUNT PICTURES CORPORATION, a Delaware corporation, and HOST INTERNATIONAL, INC., a Delaware corporation,

Petitioners,

—v.—

GEORGE WENDT, an individual, and JOHN RATZENBERGER, an individual,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1) Does the Copyright Act of 1976 preempt a state law right of publicity claim commenced against a copyright holder of a fictional television program and its licensee by actors who portrayed fictional characters in the program who claim that the depiction of those characters evokes the actors' identities?

2) May a state, consistently with the First Amendment, permit actors who have portrayed fictional characters to assert right of publicity claims against the copyright owners of those characters and their licensees on the ground that their later fictional depiction of the characters reminds the public of the actors in their portrayal of the characters?

PARTIES BELOW

The parties before this Court are those set forth in the caption. They are the same parties that appeared in the United States Court of Appeals for the Ninth Circuit.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, petitioner Paramount Pictures Corporation, a Delaware corporation, informs the Court that it is a division of Viacom Inc., a publicly traded company. Petitioner Host International, Inc., a Delaware corporation, informs the Court that its parent company, Host Marriott Services Corporation, is a wholly-owned subsidiary of Autogrill S.p.A., a publicly traded company on the Milan Stock Exchange.

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PETITION FOR WRIT OF CERTIORARI

Petitioners respectfully submit that a writ of *certiorari* should issue to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit in this case, entered on September 22, 1997. Rehearing of that opinion was denied and rehearing *en banc* rejected on December 28, 1999.

OPINIONS BELOW

The August 25, 1993 order and judgment of the United States District Court for the Central District of California (Real, J.) granting summary judgment to Paramount Pictures Corporation ("Paramount") and Host International, Inc. ("Host") and the court's order of the same date making corresponding findings of fact and conclusions of law are both unreported and are reprinted in the Appendix hereto at 31a-37a. The March 16, 1995 opinion of the Court of Appeals for the Ninth Circuit reversing the district court's ruling is unreported and is set forth in the Appendix at 24a-30a. The January 22, 1996 order and judgment of the United States District Court for the Central District of California (Real, J.) granting summary judgment to Paramount and Host and the court's order of the same date making corresponding findings of fact and conclusions of law are unreported and reprinted in the Appendix hereto at 17a-23a. The September 22, 1997 opinion of the Court of Appeals for the Ninth Circuit reversing the district court's order is reported at 125 F.3d 806 (9th Cir. 1997) and is reprinted in the Appendix hereto at 1a-16a. The December 28, 1999 opinion of the Court of Appeals for the Ninth Circuit denying defendants' petition for rehearing and rejecting suggestion for rehearing *en banc* and the dissenting opinion of Kozinski, J. is reported at 197 F.3d 1284 (9th Cir. 1999) and is reprinted in the Appendix hereto at 38a-48a.

JURISDICTION

Jurisdiction of this Court to review the judgment of the court of appeals entered on September 22, 1997 is invoked under 28 U.S.C. § 1254(1) (1994). The court of appeals' decision denying the petition for rehearing and rejecting suggestion for rehearing *en banc* was entered on December 28, 1999. This petition was timely filed within 90 days of the entry of that decision.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Relevant sections of the Copyright Act of 1976 and the United States Constitution are set forth in the Appendix at 49a-55a and are listed in the Table of Contents thereto.

STATEMENT OF THE CASE

This case presents the Court with a direct conflict between the Ninth Circuit's sweepingly expansive interpretation of California right of publicity law and federal copyright and First Amendment law. As three judges on the Ninth Circuit recognized as early as 1993 in *White* v. *Samsung Electronics America, Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting from rejection of suggestion for rehearing *en banc*),[1] "[s]omething very dangerous" has been going on in Ninth Circuit right of publicity jurisprudence—something which has now put the Ninth Circuit on a collision course with the copyright jurisprudence of the Seventh Circuit, of California state courts and of other courts throughout the nation, and with First Amendment jurisprudence generally. In *White*, the conflict with copyright law was hypothetical because the copyright owner was not a party to the case and the conflict with the First Amendment

[1] The opinion was joined by Judges O'Scannlain and Kleinfeld. Judge Alarcon dissented on similar grounds.

less pronounced because it concerned commercial speech. In this case, both conflicts have fully ripened. By interpreting California's right of publicity law so broadly as to prevent copyright holders and their licensees from creating and depicting derivative works based on their own copyrighted characters in an entertainment context, the Ninth Circuit has tread on areas protected by both copyright law and the First Amendment in a manner that stifles the very creativity those provisions were designed to foster and protect.

Factual Background

Paramount produced the Emmy award-winning television show "Cheers," which aired on network television from 1982 to 1993 and continues to run in syndication to this day. One of the most popular television comedies of all time, "Cheers" was set in a friendly neighborhood bar of the same name in Boston, Massachusetts, touted to be the kind of place where "everybody knows your name." The familiar cast of characters at the bar has become like family to the show's many fans. The two characters at issue in this case, Norm Peterson, a fat, endearing, oft-unemployed accountant, who always had a beer in his hand, and Cliff Clavin, a dweebish mailman and mamma's boy, who was something of a know-it-all windbag, typically sat together at the end of the bar and engaged in humorous banter.

In 1990, Paramount, which owns the copyright and trademark in "Cheers" and all its characters,[2] granted Host a limited license to set up bars in airports throughout the world using the "Cheers" decor and theme. Host then created

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[2] *See generally Warner Bros.* v. *American Broadcasting Cos.*, 720 F.2d 231, 235 (2d Cir. 1983) (copyright in a show or television program extends to characters in the show or program); *Universal City Studios, Inc.* v. *J.A.R. Sales, Inc.*, 216 U.S.P.Q. 679, 683 (C.D. Cal. 1982) (copyright in motion picture encompasses "expression of that character . . . in other media as well, including three-dimensional expressions such as dolls and other forms of sculpture").

"Cheers" bars that strive to recreate the look and feel of the TV show. The memorabilia on the walls of the bars replicate that on the walls of the "Cheers" bar; "Cheers" episodes are played on multiple television screens in the bar; items on the menu are named after the "Cheers" characters.

The decor of several of the bars also includes two lifesize, animatronic (robotic) regular "customers" named "Hank" and "Bob" that are programmed to move and to speak to each other humorously whenever customers sit within a certain distance from them at the bar. "Hank" and "Bob" are not actual characters from "Cheers." Like the characters "Norm" and "Cliff," however, they sit at the bar with glasses of beer, offering running barroom commentary about the world. In addition, like "Norm" and "Cliff," one of the robots is heavier than the other.

Respondents George Wendt and John Ratzenberger are the actors who portrayed "Norm" and "Cliff" on "Cheers."[3] Wendt and Ratzenberger sued Host in the United States District Court for the Central District of California, claiming that the two robotic figures violated their common law and statutory rights of publicity, their rights under the Lanham Act, 15 U.S.C. §1125(a) (1994) and otherwise violated their legal rights. According to the allegations of the Respondents in their complaint, the use of the robots was actionable since they were "designed to impersonate, appear as, and otherwise invoke in the minds of the general public, the images, likenesses, identities and personas of Plaintiffs in the portrayal of their respective roles of 'Norm' and 'Cliff.' " (Complaint, ¶ 16)

Respondents sought injunctive relief, damages and punitive damages. Jurisdiction in the district court was con-

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[3] Copies of photographs of the Respondents and the robots, which were part of the record in this case, are attached to the Appendix hereto as 56a-59a.

ferred pursuant to 15 U.S.C. § 1121(a) (1994), as amended, and 28 U.S.C. §§ 1331, 1332, and 1338 (1994), as amended.

History of the Litigation

(a) The First Decisions of the District Court and Court of Appeals

Prior to trial, Paramount intervened in the case, as the copyright owner of "Cheers" and its characters, and moved for summary judgment on two grounds: (1) that Respondents' state law claims were preempted by the Copyright Act because, if enforced, they would prevent Paramount from exercising its exclusive right under federal copyright law to create and depict derivative works based on "Cheers" and (2) that the robots were, in any event, sufficiently different in appearance from Wendt and Ratzenberger that all their claims failed as a matter of law. On August 25, 1993, the district court granted the defendants summary judgment on both grounds. (App. 31a-37a)

On March 16, 1995, the court of appeals reversed the district court's decision. (App. 30a) "[P]laintiffs' claims," the court summarily concluded, "are not preempted by the federal copyright statute so long as they 'contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement.' " (App. 26a) The court concluded that "the unauthorized commercial use of one's identity is an invasion of 'a personal property right,' different in kind from copyright infringement" because it required an "additional element" to a copyright claim—namely, "proof that the defendant's use of the plaintiff's 'likeness' or 'identity' was commercial (*i.e.*, connected with selling or promoting a product)." (App. 26a)

As for the district court's ruling, reached after reviewing photographs of the two actors and the robots, that they were insufficiently similar to permit Respondents' to pursue any of their claims, the court of appeals held that the determi-

nation of whether the robots were "likenesses" of Respondents could not be made on the basis of photographs but only "by a comparison of the actual, three-dimensional entities." (App. 28a) The case was therefore remanded to the district court. (App. 30a)

(b) The Second Decisions of the District Court and Court of Appeals

On remand, Paramount and Host moved again for summary judgment. As directed by the court of appeals, defendants brought the actual three-dimensional robots into court so that the court could compare them with the plaintiffs. Having done so, the district court determined, once again, that "Plaintiffs are not similar in any way to and are completely different from [the robots]," and again granted summary judgment for Paramount and Host. (App. 21a) The court also noted that the animatronic figures were derivative works of the "Cheers" television series and, as such, were protected by Paramount's exclusive copyright in "Cheers." (App. 20a)

On appeal, the Ninth Circuit reversed again, finding disputed issues of fact as to whether the actors looked sufficiently like the robots to violate California right of publicity law. (App. 5a-6a, 9a) As for the issue of copyright preemption, the court sought to distinguish an intervening California Court of Appeals decision that held a cause of action for right of publicity under California law to be preempted by the Copyright Act where the action sought to prevent the defendant from exhibiting a copyrighted work. *Fleet* v. *CBS, Inc.*, 58 Cal.Rptr.2d 645 (Ct. App. 1996). The court interpreted *Fleet* to hold that a right of publicity claim is preempted by copyright law "if all [the plaintiff is] seeking is to prevent a party from exhibiting a copyrighted work" (App. 6a), and distinguished *Fleet* by maintaining that "[a]ppellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series." (App. 6a)

Acknowledging (as had the plaintiffs themselves) that Wendt and Ratzenberger had no rights to the characters "Norm" and "Cliff" (App. 8a), the court of appeals nonetheless held that since plaintiffs' state law claims were based on the contention that the two robots physically resembled Wendt and Ratzenberger in their portrayal of "Norm" and "Cliff," their state claims survived preemption. (App. 8a)

(c) The Rejection of Petition for Rehearing *En Banc*

Paramount and Host filed a Petition for Rehearing and Suggestion for Rehearing *En Banc*, which pointed out, *inter alia*, that the opinion conflicted directly with both the Seventh Circuit's opinion in *Baltimore Orioles, Inc.* v. *Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir. 1986), *cert. denied*, 480 U.S. 941 (1987) and the California Court of Appeals' ruling in *Fleet* and was also inconsistent with another intervening California Court of Appeals decision, *Polydoros* v. *Twentieth Century Fox Film Corp.*, 67 Cal. Rptr. 2d 305 (Ct. App. 1997). The latter ruling struck down on First Amendment grounds a right of publicity claim asserted by an individual who claimed that his name and likeness had been appropriated for commercial use in a fictional film. On December 28, 1999, the petition for rehearing was denied and the suggestion for rehearing *en banc* rejected. (App. 39a)

Judge Kozinski, joined by Judges Kleinfeld and Tashima, dissented from the order rejecting the suggestion for rehearing *en banc*. (App. 39a-48a) The dissenting judges pointed to a number of critical flaws in the panel's opinion: (1) the panel had interpreted the right of publicity so broadly as to prevent Paramount from exercising its right under the copyright laws to make a derivative work based on "Cheers" (App. 42a); (2) the panel's distinction between causes of action based on a likeness to the characters "Norm" and

"Cliff" and causes of action based on a likeness to the actors in their portrayal of "Norm" and "Cliff" failed because it was impossible to exploit characters from "Cheers" without reminding viewers of the actors in their portrayal of them (App. 41a-44a); (3) the panel's opinion directly conflicted with the Seventh Circuit's opinion in *Baltimore Orioles* and the California Court of Appeals' opinion in *Fleet* (App. 44a-45a); (4) the panel's interpretation of the California common law right of publicity violated the dormant Copyright Clause because it unduly burdened the copyright rights of citizens of states other than California (App. 46a-47a); and (5) the panel's opinion utterly ignored the First Amendment in a context where core protected speech was involved. (App. 47a-48a) This petition followed.

REASONS FOR GRANTING THE WRIT

I

THE RULING OF THE NINTH CIRCUIT CONFLICTS DIRECTLY WITH DECISIONS OF THE SEVENTH CIRCUIT AND THE CALIFORNIA COURTS REGARDING THE SCOPE OF EXPRESS COPYRIGHT PREEMPTION AND IS CONTRARY TO SUPREME COURT CONFLICT PREEMPTION PRECEDENT AND THE DORMANT COPYRIGHT CLAUSE OF THE UNITED STATES CONSTITUTION

A. The Ninth Circuit Decision in this Case and a Subsequent Fifth Circuit Decision Following It Create a Direct Conflict With Decisions of the Seventh Circuit and the California State Courts Concerning Express Copyright Preemption

In holding the Respondents' state law claims not preempted by Section 301 of the Copyright Act, the Ninth Cir-

cuit reached a result squarely at odds with that of the Seventh Circuit in *Baltimore Orioles, supra,* and with the ruling of the California Court of Appeal in *Fleet, supra.*

Section 301(a) provides that:

> "On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." 17 U.S.C. § 301(a) (1994).

For a state law action to be preempted by Section 301, therefore, two conditions must be satisfied. First, the work in which the state law right is asserted must be fixed in tangible form and come within the subject matter of copyright as specified in Sections 102 and 103 of the Copyright Act. Second, the state law right must be equivalent to any of the rights specified in Section 106 of the Copyright Act. *See generally* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §1.01[B] (1999); *National Basketball Ass'n* v. *Motorola,* Inc., 105 F.3d 841, 848 (2d Cir. 1997); *Fleet,* 58 Cal.Rptr.2d at 650; *Donald Frederick Evans & Assocs., Inc.* v. *Continental Homes, Inc.,* 785 F.2d 897, 913-14 (11th Cir. 1986); *Baltimore Orioles,* 805 F.2d at 674.

In the present case, the Ninth Circuit ruled inconsistently with both *Baltimore Orioles* and *Fleet* by distorting both elements of the two-part Section 301 test. As to the first prong, the Ninth Circuit rejected preemption on the ground that "[w]hat is put forward as protectable here is more personal than any work of authorship." (App. 26a) A similar ruling

was recently issued by the Fifth Circuit as well. *See Brown* v. *Ames*, 201 F.3d 654, 657-59 (5th Cir. 2000) (finding no preemption of right of publicity claims because "the content of the protected right (in these cases, the singers' vocal styles) did not fall in the subject matter of copyright").

As to the second prong, the court of appeals found that the "unauthorized commercial use of one's identity is an invasion of 'a personal property right,' different in kind from copyright infringement" because it required an "additional element" to a copyright claim—namely, "proof that the defendant's use of the plaintiff's 'likeness' or 'identity' was commercial (*i.e.*, connected with selling or promoting a product)." (App. 26a) As such, it held that the state law rights at issue in this case were not equivalent to the rights specified in Section 106 of the Copyright Act and were therefore not preempted. (App. 26a)

The Seventh Circuit reached a contrary result based on an entirely different analysis of the same issue in *Baltimore Orioles*. In that case The Major League Baseball Players Association brought a right of publicity claim against Major League Baseball for broadcasting major league baseball games on television without the players' consent. Instead of looking at whether or not *the item being protected by the right of publicity* was copyrightable—as the Ninth Circuit did in this case and the Fifth Circuit did in *Brown*—the Seventh Circuit examined whether or not *the work alleged to have violated the right of publicity*—namely, the telecasts of major league baseball games—fell within the scope of copyright protection delineated by Sections 102 and 103 of the Copyright Act. *Baltimore Orioles*, 805 F.2d at 674. Under this test, the court concluded that the first prong was satisfied because the telecasts that the plaintiff claimed rights in were both fixed in a tangible medium of expression and copyrightable. *Id.*

The Seventh Circuit explicitly considered and rejected the first prong analysis later adopted by the Ninth and Fifth Circuits, that "the right of publicity is not preempted because the work that it protects—a public figure's persona—cannot be fixed in a tangible medium of expression." *See Baltimore Orioles*, 805 F.2d at 677 n.26. The court concluded that "[b]ecause a performance is fixed in tangible form when it is recorded, a right of publicity in a performance that has been reduced to tangible form is subject to preemption." *Id.*

Under the Seventh Circuit's analysis, then, the Ninth Circuit addressed the wrong issue in applying its prong one test. Where the Ninth Circuit held that "what [was] put forward as protectable" (App. 26a)—presumably the face, likeness, or identity of the actors—was not copyrightable (and therefore not preempted), the Seventh Circuit would have examined whether or not the *robots* were copyrightable (which they clearly were). That the Seventh Circuit's interpretation is the correct one is clear from the legislative history of the Copyright Act, which states that "[t]he intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright *and that extend to works coming within the scope of the Federal copyright law*." H.R. Rep. No. 1476 at 130 (1976) (emphasis added).

As to the second prong, the Seventh Circuit examined the legislative history of Section 301 and concluded that a state right is "equivalent" to one of the rights within the general scope of copyright if "(1) it is infringed by the mere act of reproduction, performance, distribution or display, or (2) it requires additional elements to make out a cause of action but the additional elements do not differ in kind from those necessary for copyright infringement." *Baltimore Orioles*, 805 F.2d at 677 n.26. The court found that the right of publicity did not contain any "extra elements" that were qualitatively different from a copyright action. *See id.* A wide range of courts have held similarly. *See Harper & Row Pub-*

lishers, Inc. v. *Nation Enterprises*, 723 F.2d 195, 201 (2d Cir. 1983) (state law preempted since reproduction with intent not qualitatively different), *rev'd on other grounds*, 471 U.S. 539 (1985); *Crow* v. *Wainwright*, 720 F.2d 1224, 1226 (11th Cir. 1983) (state law preempted since publication with scienter not qualitatively different), *cert. denied*, 469 U.S. 819 (1984); *Mayer* v. *Josiah Wedgwood & Sons*, 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985) (state law preempted since reproduction with intent, knowledge, or commercial immorality not different in kind) (discussing cases); *Rand McNally & Co.* v. *Fleet Management Systems, Inc.*, 591 F. Supp. 726, 739 (N.D. Ill. 1983) (state law preempted since publication with commercial immorality not qualitatively different). The Seventh Circuit concluded that "[b]ecause the exercise of the Clubs' right to broadcast telecasts of the games infringes the Players' rights of publicity in their performances, the Players' rights of publicity are equivalent to at least one of the rights encompassed by copyright, *viz.*, the right to perform an audiovisual work." *Baltimore Orioles*, 805 F.2d at 677. This holding, like all of those cited above, was flatly contrary to the Ninth Circuit's holding that the "extra element" of "commercial use" prevented the right of publicity from being preempted.[4] (App. 26a)

The flaws in the Ninth Circuit's preemption analysis are particularly well illustrated by its treatment of the conflicting California Court of Appeals' decision in *Fleet*, *supra*. In *Fleet*, an actor asserted a right of publicity claim against the copyright holder of one of his films to try to prevent the copyright holder from exhibiting the film without

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[4] The United States Court of Appeals for the Eighth Circuit has indicated, in dicta, its likely agreement with the Seventh Circuit's analysis in *Baltimore Orioles*. *See Ventura* v. *Titan Sports, Inc.*, 65 F.3d 725, 730 n.6 (8th Cir. 1995) (citing *Baltimore Orioles* in support of preemption of right of publicity claims under copyright law, but refusing to rule on preemption because it was not timely raised), *cert. denied*, 516 U.S. 1174 (1996).

his permission. The actor refused to grant the copyright owner permission to use the actor's likeness in advertisements for the film (which used clips and stills from the film itself) and in distributing the film itself. The court dismissed the complaint on preemption grounds.

However obvious the result in *Fleet* may appear to be,[5] it is flatly inconsistent with the Ninth Circuit's ruling in this case and cannot be reached using the Ninth Circuit's analysis. Under the Ninth Circuit's test for prong one (which analyzes whether or not the item being protected by the right of publicity was copyrightable), the facts of *Fleet* lead inexorably to a result of no preemption. This is because the actor's right of publicity, as interpreted in this case, protects the actor's face, persona, and likeness as opposed to the film upon which it is captured. These items, according to the Ninth Circuit's analysis, are neither fixed in a tangible medium of expression nor copyrightable. The Ninth Circuit's second prong analysis leads to the same result. Under the facts of *Fleet,* the "extra element" of commercial appropriation cited by the Ninth Circuit in support of its holding of no preemption in this case is still present. In the end, the logic of Ninth Circuit's analysis leads inexorably to the conclusion that *no* right of publicity claim would ever be preempted by copyright.

It is not surprising, then, that the Ninth Circuit's attempt to distinguish *Fleet* was so unpersuasive.[6] The panel argued

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[5] *See KNB Enterprises* v. *Matthews*, 92 Cal.Rptr.2d 713, 723 (Cal. Ct. App. 2000), holding that a right of publicity claim "is preempted under *Fleet* where an actor or model . . . seeks to prevent the exclusive copyright holder from displaying the copyrighted work."

[6] The Fifth Circuit's attempt in *Brown* to distinguish *Fleet* was similarly unpersuasive. That opinion claimed that *Fleet* involved the misappropriation of something within the subject matter of copyright—namely, a dramatic performance—while *Brown* involved the misappropriation of something not within the subject matter of copyright—specifically, a "name and/or likeness." *Brown*, 201 F.3d at 658.

that the instant case was different from *Fleet* because the "[a]ppellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series." (App. 6a) This is simply untrue. The Respondents in this case *are* seeking to prevent Host and Paramount from doing just that. While Host is not being sued for merely displaying the "Cheers" show on the televisions at its bar, it is being sued for doing nothing more than exercising its exclusive rights under the Copyright Act, as Paramount's licensee, to depict derivative works (*i.e.*, the characters "Hank" and "Bob") based on the "Cheers" show and its characters.[7]

Predictably enough, the decision of the court of appeals in this case has been the subject of a barrage of sustained scholarly criticism. *See, e.g.*, 1 Nimmer § 1.01[B][3][c] note 286.20, at 1-66 ("The federal court distinguished [*Fleet*'s] state interpretation of state law on the basis that plaintiffs 'are not seeking to prevent Paramount from exhibiting its

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But the court simply performed the "prong one" test at a different level of generality (without any principled explanation of how or why that was done) for each case to reach what it perceived to be the desired result. It could, of course, equally be said that *Fleet* involved the misappropriation of the plaintiff's "face" and "likeness" and that *Brown* involved the misappropriation of photographs of the plaintiffs. *Brown* ultimately fails to explain why it applies its prong one test differently to the facts of *Fleet* than to its own facts.

[7] The Copyright Act defines a derivative work as "a work based upon one or more pre-existing works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a 'derivative work.' 17 U.S.C. § 101 (1994), as amended. As Judge Kozinski noted in his dissent, "[t]he presentation of the robots in the Cheers bars is a derivative work, just like a TV clip, promotion, photograph, poster, sequel or dramatic rendering of an episode." (App. 42a)

copyrighted work in the Cheers series.' But given that copyright in the series includes the right to prepare derivative works (perhaps such as airport taverns reminiscent of the Cheers set) and given that this case bars Paramount from part of that realm (by apparently forbidding categorically its use of any two male robots unless their weight is scrupulously balanced), this case likewise threatens to subvert copyright interests."); Felix H. Kent, *Reviewing 1997: Tobacco Settlement*, 218 *N.Y.L.J.* 3 (Dec. 19, 1997) (opinion of Court of Appeals described as "bizarre"); Daniel Margolis, *Cheers to the Church Lady: Resolving the Conflict Between Copyright and the Right of Publicity*, 1996 Ann. Surv. Am. L. 627, 660-661 (1996) (describing express preemption analysis in this case as "pragmatically and logically unsound" because "[t]here is no logic to a rule that would preempt a state law claim which merely requires a showing of copying, but that would allow a state claim which requires a showing of copying plus an additional act authorized by the Copyright Act, namely commercial use"); 17 *Entertainment Law Rep.* 17, 18 (Sept. 1995) (decision of court of appeals "on its face . . . is another in a line of ill-advised and poorly-reasoned decisions rendered by the Ninth Circuit in right of publicity cases. . . .")

The Court should grant review to resolve the substantial conflict and to protect important federal interests from being infringed upon by state law in violation of Congress' express intention in passing the Copyright Act.[8]

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[8] We note that reversal of the Ninth Circuit's preemption ruling will completely dispose of this case. While the preemption defense does not directly apply to Respondents' Lanham Act claims, Ninth Circuit case law makes clear that the Lanham Act claims must be dismissed if the state law claims are preempted by copyright. *See Comedy III Productions, Inc.* v. *New Line Cinema*, 200 F.3d 593, 595 (9th Cir. 2000) ("[T]he Lanham Act cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it cannot then be protected by the Lanham Act without rendering the Copyright Act a nullity").

B. The Ninth Circuit Decision in this Case Both Ignores and is Contrary to this Court's Conflict Preemption Jurisprudence

Review is also warranted in this case because the court of appeals' decision ignores and is contrary to this Court's conflict preemption jurisprudence. As this Court has made clear, the Supremacy Clause dictates that a state law that obstructs the accomplishment of the full purposes and objectives of Congress is preempted, even if it does not fall within the scope of an express preemption provision. *Hines* v. *Davidowitz*, 312 U.S. 52, 67 (1941). This Court has applied this principle to preempt state causes of action whenever they interfere with the full exercise of a federally created copyright right. *See Capital Cities Cable, Inc.* v. *Crisp*, 467 U.S. 691, 710-11 (1984) (Oklahoma law banning alcoholic beverage advertising by cable operators preempted, in part, because the law would interfere with the exercise of the right to use compulsory copyright licenses under federal copyright law). *See also Orson, Inc.* v. *Miramax Film Corp.*, 189 F.3d 377, 382-387 (3d Cir. 1999) (*en banc*) (conflict preemption applies to Pennsylvania law because it "stands as an obstacle" to the exclusive right to distribute a copyrighted work under the Copyright Act), *cert. denied*, No. 99-866, 2000 WL 245289 (U.S. Mar. 6, 2000).

The Ninth Circuit's articulation of California right of publicity law in this case conflicts directly with the exclusive right, under the Copyright Act, to authorize others to display derivative works. *See* 17 U.S.C. § 106 (1994). Given the exclusive nature of the right to make and authorize derivative works, any state cause of action that gives parties other than the copyright holder the right to authorize (or to refuse to authorize) a derivative work conflicts with Congress' clearly expressed intent in passing the Copyright Act. California's right of publicity law, as interpreted by the Ninth Circuit, cannot be enforced without diminishing the

rights of copyright holders under the Copyright Act to create and display derivative works. As such, it cannot stand. *Hines*, 312 U.S. at 67.

In his dissenting opinion from the Ninth Circuit's denial of rehearing *en banc*, Judge Kozinski articulated the direct nature of the conflict:

> "Host and Paramount assert their right under the Copyright Act to present the Cheers characters in airport bars; Wendt and Ratzenberger assert the right under California law to control the exploitation of their likenesses. But to millions of viewers, Wendt and Ratzenberger are Norm and Cliff; it's impossible to exploit the latter without also evoking thoughts about the former." (App. 41a-42a)

While the court of appeals attempted to sidestep this issue by drawing a distinction between rights to the characters "Norm" and "Cliff" (which it acknowledged belong to Petitioners) and rights to the actors' portrayals of the characters "Norm" and "Cliff" (which it claimed belong to Respondents), this distinction simply does not work. As Judge Kozinski points out, it is impossible to exploit the characters "Norm" and "Cliff" without evoking thoughts about Messrs. Wendt and Ratzenberger portraying "Norm" and "Cliff". As such, conflict between the Respondents' right of publicity and the Petitioners' rights under copyright is unavoidable.

One source of the problem is that the Ninth Circuit has interpreted the California common law right of publicity so broadly. While most state courts limit the right of publicity to situations where a celebrity's name, voice, face or signature have been appropriated without consent for a commercial purpose, *see, e.g.*, *Stephano* v. *News Group Publications, Inc.*, 474 N.E.2d 580, 583-84 (N.Y. 1984) (limiting right of publicity under New York law to statutory protection of "name, portrait or picture"), in *White* v. *Sam-*

sung Electronics America, Inc., 971 F.2d 1395, 1399 (9th Cir. 1992), *cert. denied*, 508 U.S. 591 (1993), the Ninth Circuit "exploded the right of publicity" to include *anything* (even the use of a background or setting) that "brings the celebrity to mind." (App. 43a) (Kozinski, J. dissenting)[9] Such a breathtakingly expansive view of the right of publicity interferes with the rights of copyright owners to exploit their copyrighted works precisely because just about any authorized use of a copyrighted fictional character may bring the actor or actress who has played that character to mind.

In fact, the effect of the Ninth Circuit ruling would be to impose the greatest limits on the ability of a copyright owner to exploit derivative works in those cases in which the copyrighted works are most successful. It cannot be doubted that as the success of a program increases so will the identification of a character in the program with the actor who portrays him. A Catch-22 situation results: unsuccessful works for which there is little demand for derivative works are not impacted by the Ninth Circuit's holding, while successful works for which there may be a high demand for derivative works are subject to the veto right of third parties. That is hardly the scheme established by the Copyright Act.

The conflict is further compounded by the Ninth Circuit's holding, in *White*, that the specific means of appropriation of a celebrity's identity are not relevant to the right of publicity inquiry. *White*, 971 F.2d at 1398. In holding that the right of publicity may be violated in all instances where a celebrity's identity is evoked, the court of appeals failed to recognize that the "means of appropriation" might simply be the exercise of rights guaranteed under copyright law, thus

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[9] The California statutory right of publicity, Cal. Civ. Code § 3344 (West 1997), is far narrower than the Ninth Circuit-crafted common law right of publicity. *White*, 971 F.2d at 1398 (statutory right of publicity protects knowing use of a plaintiff's name or actual likeness only; common law protects celebrities "identity" or anything that evokes it).

leading to conflict preemption. The Ninth Circuit's holding fails even to acknowledge what the leading commentators have stressed—*i.e.*, that if the right of publicity is violated merely by exercising one of the exclusive rights under the Copyright Act, it must be preempted. *See* 1 *Nimmer on Copyright* § 1.01[B][3][b], at 1-64, 1-66 ("[I]f a derivative work can be halted under color of an actor's right of publicity claim, then state law can set at naught the benefits that Congress has conferred. The *White* majority fails to confront this tension . . . [and] th[e] [*Wendt*] decision replicates (robotically, at that) the *White* majority's defects").

C. The Ninth Circuit Decision in this Case Both Ignores and is Contrary to the Dormant Copyright Clause

The Ninth Circuit opinion in this case warrants review for yet another reason arising out of its diminishment of the rights afforded by the Copyright Act: it ignores and is contrary to this Court's jurisprudence surrounding the dormant Copyright Clause, which holds that state intellectual property laws are preempted to the extent they "prejudice the interests of other states." *Goldstein* v. *California*, 412 U.S. 546, 558 (1973). Just as the dormant Commerce Clause invalidates state laws that pose an undue burden on interstate commerce, so does the Copyright Clause invalidate state laws that substantially interfere with federal copyright law. *Id.*

As Judge Kozinski noted in his dissenting opinion in this case, the Ninth Circuit's expansive interpretation of the California common law right of publicity in this case substantially interferes with copyright protection in other states:[10]

> "A copyright licensee must be able to exercise rights which are inherently federal in nature without worrying that 50 separate states will burden those rights.

[10] None of the bars displaying the robots were in California.

> This is most obviously true when state law restricts the display of derivative works outside the borders of its state. Yet that is exactly what the panel approves here: Plaintiffs are using California law to stop Host from displaying a copyrighted work in Kansas City and Cleveland. Why California should set the national standard for what is a permissible use of a licensed derivative work is beyond me. Rather than construe the right of publicity narrowly to avoid this constitutional conundrum, the panel compounds *White*'s errors by enforcing California's right of publicity way beyond California's borders." (App. 46a-47a)

The Ninth Circuit's broad reading of the right of publicity thus runs afoul of the dormant Copyright Clause, even if it does not fall under the express preemption provision of the Copyright Act, 17 U.S.C. § 301. Review by this Court is necessary to protect the federal interests guaranteed by the Copyright Clause itself.[11]

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[11] Any argument that this case is inappropriate for plenary review because the decision below is interlocutory should be rejected. To allow the boundaries of the preemptive scope of the Copyright Act to remain unsettled for a period of what may well be several years—in the face of an immediate circuit conflict—while other issues are tried and appealed, would only delay resolution of a significant legal issue that should best be resolved now. *See* Robert L. Stern, *et al.*, *Supreme Court Practice* 197 (7th ed. 1993) (even though other issues remained to be decided below, the Court has granted *certiorari* where there was a conflict on a question of law with another court of appeals which would justify review of a final decree or judgment); *Geissal v. Moore Medical Corp.*, 524 U.S. 74, 79 (1998); *United States v. General Motors Corp.*, 323 U.S. 373, 374-377 (1945); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 408-09 (1916); *Forsyth v. Hammond*, 166 U.S. 506, 514 (1897); *see also Supreme Court Practice* at 197 (*certiorari* granted where nonfinal judgment presented "a novel and important question of law and where petitioner's position, if sustained, would render the decision wholly void").

II.

THE RULING OF THE NINTH CIRCUIT IGNORES SIGNIFICANT FIRST AMENDMENT INTERESTS IN A FASHION INCONSISTENT WITH PRIOR RULINGS THROUGHOUT THE NATION IN AN AREA OF LAW IN WHICH GUIDANCE FROM THIS COURT IS NEEDED

Seven years ago, four judges on the Court of Appeals for the Ninth Circuit dissented from that court's determination in *White*, *supra*, that a celebrity whose name or likeness had concededly *not* been used in an advertisement could nonetheless recover under California right of publicity law if her identity had been somehow "evoked", however impressionistically, by the advertisement. Judge Alarcon's dissenting opinion in that case expressed concern about the dangerous First Amendment implications of the court's ruling:

> "The effect of the majority's holding on expressive conduct is difficult to estimate. The majority's position seems to allow any famous person or entity to bring suit based on any commercial advertisement that depicts a character or role performed by the plaintiff. Under the majority's view of the law, Gene Autry could have brought an action for damages against all other singing cowboys. Clint Eastwood would be able to sue anyone who plays a tall, soft-spoken cowboy, unless, of course, Jimmy Stewart had not previously enjoined Clint Eastwood. Johnny Weismuller would have been able to sue each actor who played the role of Tarzan." *White*, 971 F.2d at 1407.

Judge Kozinski's dissenting opinion from the court's denial of rehearing *en banc* in *White* also decried the First Amendment consequences of the ruling. "The majority's creation," the opinion observed, "goes way beyond the

protection given a trademark or a copyrighted work, or a person's name or likeness. All those things control one particular way of expressing an idea, one way of referring to an object or a person. But not allowing any means of reminding people of someone? That's a speech restriction unparalleled in First Amendment law." *White*, 989 F.2d at 1519 (Kozinski, J., dissenting).

The only treatment of the First Amendment in the *White* panel opinion was to dismiss it as even being relevant to the case because the speech at issue in *White* was commercial.[12] In this case, involving speech that is not commercial, Judge Kozinski and two colleagues again dissented on First Amendment grounds from the denial of rehearing *en banc*, stating:

> "Here, the portrayal of the *Cheers* characters is core protected speech: Using Norm and Cliff dummies in a *Cheers*-themed bar is a dramatic presentation. It's like a play. *Cheers* may not have the social impact of *Hair, see Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546, 43 L.Ed. 2d 448, 95 S.Ct. 1239 (1975), but it's a literary work nonetheless, worthy of the highest First Amendment protection from intrusive state laws like California's right-of-publicity statute." (App. 47a)[13]

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[12] Of course, even commercial speech receives a significant degree of First Amendment protection—far more, in fact, than the court in *White* acknowledged. *See City of Cincinnati* v. *Discovery Network, Inc.*, 507 U.S. 410 (1993); *44 Liquormart, Inc.* v. *Rhode Island*, 517 U.S. 484 (1996); *Greater New Orleans Broadcasting Ass'n* v. *United States*, 527 U.S. 173 (1999).

[13] The fact that the "performances" by "Hank" and "Bob" may be motivated, in part, by a desire to encourage people to patronize to the bar does not transform these performances into commercial speech. *See, e.g., Joseph Burstyn, Inc.* v. *Wilson*, 343 U.S. 495, 501 (1952) ("That books, newspapers, and magazines are published and sold for profit does not prevent them from being a form of expression whose liberty is safeguarded by the First Amendment. We fail to see

Unable to respond by dismissing the speech at issue here as commercial, the panel opinion contained not a word about the First Amendment.

An earlier opinion from the California courts should have guided the Ninth Circuit. In *Lugosi* v. *Universal Pictures*, 603 P.2d 425 (Cal. 1979), the heirs of Bela Lugosi sued under a right of publicity theory to recover profits from a movie company in its licensing of the use of the Count Dracula character. Justice Mosk of the California Supreme Court warned of the threat allowing such a claim would pose to freedom of expression:

> "Bela Lugosi was a talented actor. But he was an actor, a practitioner of the thespian arts; he was not a playwright, an innovator, a creator or an entrepreneur. As an actor he memorized lines and portrayed roles written for him, albeit with consummate skill. . . . [Lugosi's] performance gave him no more claim on Dracula than that of countless actors on Hamlet who have portrayed the Dane in a unique manner. . . . If Bela Lugosi were alive today, he would be unable to claim an invasion of his right to privacy for Universal's exploitation not of Lugosi *qua* Lugosi but of products created in the image of Count Dracula, a role Lugosi played. . . . To approve such a bonanza on a newly created cause of action, heretofore unknown in California, ill serves the principles of free expression and free enterprise."

Lugosi, 603 P.2d at 432, 434 (Mosk, J., concurring) (citations omitted). In this case, the Ninth Circuit has created the very "bonanza" threatening free expression that Justice Mosk warned against in *Lugosi*.[14]

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why operation for profit should have any different effect in the case of motion pictures."); *Time, Inc.* v. *Hill*, 385 U.S. 374, 397 (1967) (same).

[14] The majority in *Lugosi* ruled against the plaintiff on the ground that the common law right of publicity was not descendible.

The failure of the Ninth Circuit even to address the First Amendment consequences of a rule of law which provides performers and their heirs with broad control over subsequent uses of the copyrighted characters that they played on television programs, motion pictures and the like that "evoke" the identity of the performers that portrayed those characters reflects a disturbing insensitivity to the impact of the court's ruling on deeply rooted principles of freedom of expression. To "millions of viewers," as the dissenting opinion observed, "Wendt and Ratzenberger are Norm and Cliff. It's impossible to exploit the latter without evoking thoughts about the former." (App. 42a) Since just such an evocation is all that is required for liability to be imposed under the Ninth Circuit's standard, the ruling necessarily raises First Amendment issues of the most profound nature.

It is not as if the robotic characters themselves are unprotected by the First Amendment. Programmed to converse with each other when patrons sit near them at the bars, the robots engage in a sort of running barroom social commentary—sometimes humorously, sometimes less successfully so—that is fully protected by the First Amendment. A typical exchange between the robots is this one:

> "BOB: Where's Sam? Anybody seen Sam?
>
> HANK: He went with Fraiser to look at the new Lamborghini.
>
> BOB: Oh. What would it be like to have money for status symbols?
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> HANK: Yuppiedom. And I don't understand it. People who buy more than they can afford, eat at overpriced restaurants and wear clothes with someone else's initials on them. . . . I just don't get it. I always stay within my

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Lugosi, 603 P.2d at 431. Statutory right of publicity claims are descendible in California. *See* Cal. Civ. Code § 3344.

budget and balance my checkbook to the penny.

BOB: It's called advertising, Hank. They make you want to buy that stuff through brain-washing, and it has to be bigger, brighter and better than before.

HANK: But all that Madison Avenue lingo doesn't make sense. Like what is a "pre-owned" car?

BOB: Used. See my point. They learned it from the government, for example, "user-fees."

HANK: Oh, you mean taxes. Well, what about a "revenue shortfall." Isn't it just a lack of money and poor budgeting?

BOB: Right-o. What about Military Intelligence?

HANK: (ponders) Hmm . . . you got me.

BOB: How about a contradiction in terms?"

Another is this one:

"BOB: What's this world coming to Hank? People all over are losing their jobs to machines. I tell you, technology is taking over the world.

HANK: Yeah. I know exactly what you mean Bob. Soon they'll probably have robot plumbers, robot doctors, and heaven forbid . . . robot female mud wrestlers.

BOB: With my luck, they'll probably invent a robot wife. That way, my real wife could go out while the robot wife stays home to nag me.

HANK: Cheer up Bob. . . . Maybe it's not all bad. If robots did our jobs, then we could spend

more time here at "Cheers" . . . unless of course they invent robot customers to sit at the bar and drink for us.

BOB: That will never happen, Hank, that will never happen."[15]

In these and their other exchanges, the robots engage in what Judge Kozinski correctly viewed as a sort of play that is fully protected by the First Amendment. *See Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546 (1975).

This Court has addressed the relationship between right of publicity claims and the First Amendment only once. In *Zacchini* v. *Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), the Court, in a five-to-four ruling, determined that the First Amendment did not bar a state from permitting recovery on a right of publicity claim where a defendant had broadcast the "entire performance" of the plaintiff. While acknowledging that "entertainment, as well as news, enjoys First Amendment protection," the Court determined that the broadcast of "a performer's entire act without his consent" could be actionable. *Id.* at 570, 578.

The *Zacchini* ruling was deliberately narrow in its scope. As both the majority and dissenting opinions agreed, the only question addressed was whether the broadcast of an entire act could be actionable. *Id.* at 570, 575-76; *id.* at 579-80 (Powell, J., dissenting). The Court therefore did not address any issue bearing upon the interrelationship of the right of publicity tort and the First Amendment such as is raised here.[16]

In the California state courts, that question has been addressed in a manner far more congenial to First Amend-

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[15] *See* Exhibit 108, included in the record below.

[16] *See, e.g.*, 3 Paul Goldstein, *Copyright*, § 15.20.2.3, at 15:168 (2nd ed. 1999) ("*Zacchini* is not a general charter for immunizing the right of publicity from first amendment claims").

ment interests than the ruling in this case even begins to suggest. In *Polydoros* v. *Twentieth Century Fox Film Corp.*, 67 Cal. Rptr.2d 305 (Ct. App. 1997), *review granted*, 69 Cal.Rptr.2d 897 (Cal. 1997), *review dismissed*, 965 P.2d 724 (Cal. 1998), the highest California court to rule directly on the issue held that the First Amendment barred a right of publicity claim asserted by an individual who claimed that his name and likeness had been appropriated for commercial purposes in a fictional film. Basing its ruling on the well-established proposition of First Amendment law that "[p]opular entertainment is entitled to the same constitutional protection as the exposition of political ideas," the Court ordered the complaint dismissed. *Id.* at 308.

Polydoros is only the most recent articulation of the proposition that right of publicity claims must be subjected to rigorous judicial review to assure that First Amendment interests have not been compromised. It was just such an analysis that led the Court of Appeals for the Tenth Circuit, in an opinion facially at odds with that at issue in this case, to conclude that the First Amendment barred a right-of-publicity claim. In *Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996), the Court of Appeals for the Tenth Circuit concluded that just such a claim made on behalf of the major league baseball players union against a firm that was selling parody trading cards featuring the pictures of active major league players could not withstand First Amendment scrutiny. According to the Court, the trading cards were "no less protected because they provide humorous rather than serious commentary." Rejecting the notion that *Cardtoons's* speech should receive "less protection because it fails to use a traditional medium of expression," the Court of Appeals held that the right of publicity claim made on behalf of the baseball players violated the First Amendment. *Id.* at 969.

Similar rulings have been reached by numerous other courts in a wide range of circumstances. *See Rogers* v.

Grimaldi, 875 F.2d 994 (2d Cir. 1989) (holding that the title of the movie *Ginger & Fred* was protected by the First Amendment as against a right of publicity claim by Ginger Rogers); *Matthews* v. *Wozencraft*, 15 F.3d 432, 439 (5th Cir. 1994) (rejecting right of publicity claim against depiction of life story of plaintiff on First Amendment grounds); *Joplin Enterprises* v. *Allen*, 795 F.Supp. 349 (W.D. Wash. 1992) (upholding the right of play to depict fictional day in the life of Janis Joplin against right of publicity claim asserted by her estate). Contrary rulings exist, but even they acknowledge the need to reconcile First Amendment interests with right of publicity claims. *Groucho Marx Productions, Inc.* v. *Day and Night Co.*, 523 F.Supp. 485 (S.D.N.Y. 1981), *rev'd on other grounds*, 689 F.2d 317 (2d Cir. 1982) (holding that First Amendment interests did not protect the defendants' use of the actual identity of Groucho Marx).[17] *See Estate of Presley* v. *Russen*, 513 F.Supp. 1339 (D.N.J. 1981) (upholding right of publicity claim against the producer of an Elvis Presley impersonation and rejecting First Amendment arguments).

If anything, the First Amendment issues necessarily posed by the instant case are exacerbated by the startlingly broad view taken by the Ninth Circuit of the right of publicity tort itself. Rulings which take such sweeping views of the nature of the right of publicity necessarily put at risk creative efforts (such as conceiving of, building, programming and displaying the robots at issue here) that the First Amendment would ordinarily protect. They do so without any of the protective devices established in other areas of intellectual property law for the purpose of assuring consistency with First Amendment principles. In *Zacchini*, for example, this Court analogized right of publicity claims to those sounding

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[17] While not addressing the issue in any detail, the Court of Appeals for the Second Circuit did observe that any consideration of First Amendment issues in the case would have to "examine closely defendants' substantial argument that their play is protected expression as a literary work. . . ." 689 F.2d at 319 n.2.

in copyright. *Zacchini*, 433 U.S. at 573. In copyright law, however, this Court has long recognized that the complete protection of ideas (as opposed to expression) *from* copyright protection "strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." *Harper & Row Publishers, Inc.*, 471 U.S. at 556. The existence of fair use protection in copyright law, the Court has also observed, is itself a First Amendment protection embodied in the statute. *Id.* at 559.[18] But the Ninth Circuit's version of California's law or right of publicity is one, as Judge Kozinski observed, in which both those features are "conspicuously absent." *White*, 989 F.2d at 1519 n.28.

The determination of the court of appeals to treat the right of publicity tort as if it were unbounded by First Amendment limitations cannot be reconciled with deeply rooted constitutional norms. *See generally* Steven R. Barnett, *First Amendment Limits on the Right of Publicity*, 30 Tort and Ins. L.J. 635 (1995). It is time for this Court to grant plenary review to assure that an errant federal court of appeals does not imperil First Amendment principles by a reading of state law that is so overbroad that conflict with those principles is unavoidable.[19]

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[18] Similar protections are afforded in other statutes protecting intellectual property. The Federal Trademark Law provides a fair use defense. 15 U.S.C. § 1115(b)(4) (1994), as amended; *New Kids on the Block* v. *News America Publishing, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992). So does the Lanham Act. *See Abdul-Jabbar* v. *General Motors Corp.*, 85 F.3d at 407, 412 (9th Cir. 1996).

[19] The urgency of the First Amendment question presents yet another reason why review in this case is appropriate at this time, regardless of the interlocutory nature of the appeal. *See Miami Herald Publishing Co.* v. *Tornillo*, 418 U.S. 241, 247 n.6 (1974) ("[w]hichever way we were to decide on the merits, it would be intolerable to leave unanswered, under the circumstance, an important question of freedom of the press under the First Amendment"). *See also* footnote 11, *supra*.

CONCLUSION

The petition for a writ of *certiorari* should be granted.

Dated: New York, New York
March 27, 2000

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UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 96-55243

Argued and Submitted March 11, 1997
Decided September 22, 1997

GEORGE WENDT, an individual;
JOHN RATZENBERGER, an individual,

Plaintiffs-Appellants.

—v.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant-Appellee,

—and—

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Defendant-Intervenor.

Before:

FLETCHER and TROTT, *Circuit Judges*,
and JENKINS,* *District Judge*.

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* Honorable Bruce S. Jenkins, Senior United States District Judge for the District of Utah, sitting by designation.

Appeal from the United States District Court for the Central District of California; Manuel L. Real, District Judge, Presiding. D.C. No. CV-93-142-R.

DAVID A. PASH, Kinsella, Boesch, Fujikawa & Towle, Los Angeles, CA, *for plaintiffs-appellants.*

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FLETCHER, *Circuit Judge*:

Actors George Wendt and John Ratzenberger appeal the district court's grant of summary judgment in favor of Host International, Inc. ("Host") and applicant in intervention Paramount Pictures Corporation ("Paramount"), dismissing their action for violations of the Lanham Act, 15 U.S.C. § 1125(a), and California's statutory and common law right of publicity. We reverse.

I. OVERVIEW

Wendt and Ratzenberger argue that the district court erred in dismissing their action because they have raised issues of material fact as to whether Host violated their trademark and publicity rights by creating animatronic robotic figures (the "robots") based upon their likenesses without their permission and placing these robots in airport bars modeled upon the set from the television show Cheers. They also appeal the district court's orders excluding appellants' survey evidence, barring presentation of expert testimony, and awarding Host and Paramount attorney's

fees. We have jurisdiction, 28 U.S.C. § 1291, and we reverse and remand for trial.

II. PROCEDURAL HISTORY

In *Wendt* v. *Host*, 1995 WL 115571 (9th Cir. 1995) ("*Wendt I*"), we reversed the first grant of summary judgment in this action and remanded. We held that appellants' state law causes of action were not preempted by federal copyright law and that disputed issues of material fact precluded summary judgment because the district court's comparison of photographs of appellants Wendt and Ratzenberger with photographs of the animatronic figures was not sufficient to resolve their claims under Cal. Civ. Code § 3344:

> The question here is whether the three dimensional animatronic figures are sufficiently similar to plaintiffs to constitute their likenesses. Based on the limited record before us, it cannot be said as a matter of law that the figures are so dissimilar from plaintiffs that no reasonable trier of fact could find them to be 'likenesses.' That question must be determined by a comparison of the actual, three-dimensional entities.

1995 WL 115571 at *2. We concluded that this comparison must be decided without reference to the context in which the image appears. *Id.* (citing *White* v. *Samsung Elec. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992), *cert. denied*, 508 U.S. 951, 113 S. Ct. 2443, 124 L.Ed. 2d 660 (1993)). We found that there were disputed issues of material fact concerning the appellants' common law right of publicity claims because the similarity between appellants' physical characteristics and those of the robots is disputed. *Id.* at *3. Finally, we held that the appellants' claims for unfair competition under § 43(a) of the Lanham Act, 15

U.S.C. § 1125(a), require the application of a "well settled eight factor test" to determine whether Host's conduct has created a likelihood of confusion as to whether appellants were endorsing Host's product. *Id.*

Upon remand, the district court granted summary judgment for a second time after an in-court inspection of the robots. It held that it could not "find, by viewing both the robotics and the live persons of Mr. Wendt and Mr. Ratzenberger, that there is any similarity at all . . . except that one of the robots, like one of the plaintiffs, is heavier than the other . . . The facial features are totally different." The district court then awarded attorney's fees to Host and Paramount pursuant to Cal. Civ. Code § 3344.

Appellants argue that despite the district court's comparison of the animatronic figures and the appellants, dismissal was inappropriate because material issues of fact remain as to the degree to which the animatronic figures appropriate the appellants' likenesses. Appellants claim that the district court erred in determining that the robots were not likenesses of the appellants because the "likeness" need not be identical or photographic. Further, they argue that the likeness determination is an issue for the jury to decide in this case. We agree.

III. ANALYSIS

We review a grant of summary judgment *de novo*. *Jesinger* v. *Nevada Federal Credit Union*, 24 F.3d 1127, 1130 (9th Cir. 1994). We must determine, viewing the evidence in the light most favorable to the nonmoving party, whether there are any genuine issues of material fact, and whether the district court correctly applied the relevant substantive law. *Id.* We are not to weigh the evidence or determine the truth of the matter, but only to determine whether there is a genuine issue for trial. *Id.* The district court's rulings excluding damage evidence and expert tes-

timony are governed by an abuse of discretion standard, and should not be reversed absent some prejudice. *Masson* v. *New Yorker Magazine, Inc.*, 85 F.3d 1394, 1399 (9th Cir. 1996). Our review is governed by the 'law of the case' doctrine, which prevents courts from "reconsidering an issue previously decided by the same court, or a higher court in the identical case." *Securities Investor Protection Corp.* v. *Vigman*, 74 F.3d 932, 937 (9th Cir. 1996).

A. The Statutory Right of Publicity

California Civil Code § 3344 provides in relevant part:

> [a]ny person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, . . . for purposes of advertising or selling, . . . without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof.

In *White*, 971 F.2d at 1397, we ruled that a robot with mechanical features was not a "likeness" under § 3344. However, we specifically held open the possibility that a manikin molded to Vanna White's precise features, or one that was a caricature or bore an impressionistic resemblance to White might become a likeness for statutory purposes. *Id.* The degree to which these robots resemble, caricature, or bear an impressionistic resemblance to appellants is therefore clearly material to a claim of violation of Cal. Civ. Code § 3344. Summary judgment would have been appropriate upon remand only if no genuine issues of material fact concerning that degree of resemblance were raised by appellants. Fed. R. Civ. P. 56.

Despite the district court's assertions that no reasonable jury could find that the robots are "similar in any manner whatsoever to Plaintiffs," we respectfully disagree. Without making any judgment about the ultimate similarity of

the figures to the appellants, we conclude from our own inspection of the robots that material facts exist that might cause a reasonable jury to find them sufficiently "like" the appellants to violate Cal. Civ. Code § 3344.

We reject appellees' assertion that *Fleet* v. *CBS*, 50 Cal. App. 4th 1911, 58 Cal. Rptr. 2d 645 (1996) is new controlling authority that requires us to revisit the determination on first appeal that appellants' § 3344 claims are not preempted by federal copyright law. *Wendt I*, 1995 WL 115571, at *1. *Fleet* is not controlling new authority on the preemption issue. It holds that an actor may not bring an action for misappropriation under Cal. Civ. Code § 3344 when the only claimed exploitation occurred through the distribution of the actor's performance in a copyrighted movie. *Id.* at 651 ("Appellants may choose to call their claims misappropriation of right to publicity, but if all they are seeking is to prevent a party from exhibiting a copyrighted work they are making a claim equivalent to an exclusive right within the general scope of copyright.") (internal quotations omitted).

Appellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series. As we stated in *Wendt I*, their "claims are not preempted by the federal copyright statute so long as they 'contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement.' " *Wendt I*, 1995 WL 115571 at *1 (quoting *Waits* v. *Frito-Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir. 1992)) (citing H.R. Rep. No. 1476, 94th Cong., 2d Sess. 132 (1976)). The *Fleet* court acknowledged that it simply found a fact-specific exception to the general rule that "as a general proposition section 3344 is intended to protect rights which cannot be copyrighted." *Fleet*, 58 Cal. Rptr. 2d at 649.

Appellants' claims are not preempted by federal copyright law. Issues of material fact exist concerning the degree to which the robots are like the appellants. We

reverse the grant of summary judgment on the claim under Cal. Civ. Code § 3344.

B. Common-Law Right of Publicity

California recognizes a common law right of privacy that includes protection against appropriation for the defendant's advantage of the plaintiff's name or likeness. *Eastwood* v. *Super. Ct. for Los Angeles County*, 149 Cal.App.3d 409, 198 Cal. Rptr. 342, 347 (Cal. Ct. App. 1983). The right to be protected against such appropriations is also referred to as the "right of publicity." *Id.* A common law cause of action for appropriation of name or likeness may be pleaded by alleging 1) the defendant's use of the plaintiff's identity; 2) the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise; 3) lack of consent; and 4) resulting injury. *Id.* (citing Prosser, Law of Torts § 117, 804-07 (4th ed. 1971)).

> The so-called right of publicity means in essence that the reaction of the public to name and likeness, which may be fortuitous or which may be managed and planned, endows the name and likeness of the person involved with commercially exploitable opportunities. The protection of name and likeness from unwarranted intrusion or exploitation is the heart of the law of privacy.

Lugosi v. *Universal Pictures*, 25 Cal.3d 813, 160 Cal.Rptr. 323, 603 P.2d 425, 431 (1979).

We have held that this common-law right of publicity protects more than the knowing use of a plaintiff's name or likeness for commercial purposes that is protected by Cal. Civ. Code § 3344. It also protects against appropriations of the plaintiff's identity by other means. *See White*, 971 F.2d at 1398 ("[a] rule which says that the right of publicity can be infringed only through the use of nine different methods of appropriating identity merely challenges the clever

advertising strategist to come up with the tenth."); *see also Abdul-Jabbar* v. *General Motors Corp.*, 85 F.3d 407, 415 (9th Cir. 1996) (common law right protects identity, which is more flexible than the statutory 'laundry list' of particular means of appropriation); *Midler* v. *Ford Motor Co.*, 849 F.2d 460, 463-64 (9th Cir. 1988) (concluding that there was a claim for violation under common law right of publicity, but not Cal. Civ. Code § 3344, for use of sound-alike singer in advertisement); *Motschenbacher* v. *R.J. Reynolds Tobacco Co.*, 498 F.2d 821, 827 (9th Cir. 1974) (concluding that there was a common-law claim from use of an identifiable race car in an advertisement, even though name or likeness of famous driver was not visible).

Appellees argue that the figures appropriate only the identities of the characters Norm and Cliff, to which Paramount owns the copyrights, and not the identities of Wendt and Ratzenberger, who merely portrayed those characters on televsion and retain no licensing rights to them. They argue that appellants may not claim an appropriation of identity by relying upon indicia, such as the Cheers Bar set, that are the property of, or licensee of, a copyright owner. *Sinatra* v. *Goodyear Tire & Rubber Co.*, 435 F.2d 711, 716 (9th Cir. 1970).

Appellants freely concede that they retain no rights to the characters Norm and Cliff; they argue that the figures, named "Bob" and "Hank," are not related to Paramount's copyright of the creative elements of the characters Norm and Cliff. They argue that it is the physical likeness to Wendt and Ratzenberger, not Paramount's characters, that has commercial value to Host.

While it is true that appellants' fame arose in large part through their participation in Cheers, an actor or actress does not lose the right to control the commercial exploitation of his or her likeness by portraying a fictional character. *Lugosi*, 160 Cal.Rptr. 323, 603 P.2d at 431.

Appellants have raised genuine issues of material fact concerning the degree to which the figures look like them. Because they have done so, appellants have also raised triable issues of fact as to whether or not appellees sought to appropriate their likenesses for their own advantage and whether they succeeded in doing so. *See Midler*, 849 F.2d at 463. The ultimate issue for the jury to decide is whether the defendants are commercially exploiting the likeness of the figures to Wendt and Ratzenberger intending to engender profits to their enterprises. *See Eastwood*, 198 Cal. Rptr. at 349 ("The first step toward selling a product or service is to attract the consumer's attention.") We therefore reverse the grant of summary judgment on the common law right of publicity claim.

C. Unfair Competition

Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)) prohibits, *inter alia*, the use of any symbol or device which is likely to deceive consumers as to the association, sponsorship, or approval of goods or services by another person. The appellants' claim is for false endorsement—that by using an imitation of their unique physical characteristics, Host misrepresented their association with and endorsement of the Cheers bars concept.

In *Waits*, 978 F.2d at 1110, we held such a claim actionable under § 43(a):

> [a] false endorsement claim based on the unautho rized use of a celebrity's identity . . . alleges the mis use of a trademark, *i.e.*, a symbol or device such as a visual likeness, vocal imitation, or other uniquely distinguishing characteristic, which is likely to confuse consumers as to the plaintiff's sponsorship or approval of the product.

In *Wendt I* we held that appellants would have a claim if "Host's conduct had created a likelihood of confusion as to whether plaintiffs were endorsing Host's product." 1995 WL 115571 at *3. In order to determine whether or not such confusion is likely to occur, we referred to a "well settled eight factor test" to be applied to celebrity endorsement cases, *Newton* v. *Thomason*, 22 F.3d 1455, 1462 (9th Cir. 1994). This test requires the consideration of:

1) the strength of the plaintiff's mark;[1]

2) relatedness of the goods;

3) similarity of the marks;

4) evidence of actual confusion;

5) marketing channels used;

6) likely degree of purchaser care;

7) defendant's intent in selecting the mark;

8) likelihood of expansion of the product lines.

Id. at 1462 (citing *AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979)).

In *Wendt I* we concluded that one of the primary factors of this test was the 'similarity of the marks' and because there was a disputed issue of material fact as to that issue, summary judgment was inappropriate on this claim.

On remand, however, the district court simply compared the robots with the appellants in the courtroom and awarded judgment because there was "no similarity at all." The district court erred in failing independently to analyze any of the other relevant factors to determine whether or not there was a likelihood of confusion to consumers as to

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[1] In a case involving confusion over endorsement by a celebrity plaintiff, 'mark' means the celebrity's persona and the strength of the mark refers to the level of recognition the celebrity enjoys. *White*, 971 F.2d at 1400.

whether appellants sponsored, approved of, or were otherwise associated with the Cheers bars.

The Lanham Act's 'likelihood of confusion' standard is predominantly factual in nature. Summary judgment is inappropriate when a jury could reasonably conclude that most of the factors weigh in a plaintiff's favor. *Abdul-Jabbar*, 85 F.3d at 413 (9th Cir. 1996). *See also MDT Corporation* v. *New York Stock Exchange, Inc.*, 858 F. Supp. 1028, 1032 (C.D. Cal. 1994) (summary judgment disfavored in trademark cases because the ultimate issue of likelihood of confusion is so inherently factual).

Application of these factors indicates that the district court erred in rejecting appellants' Lanham Act claim at the summary judgment stage because a jury could reasonably conclude that most of the factors weigh in appellants' favor. Wendt and Ratzenberger were principal players on Cheers, a popular television show. They are clearly well-known among the target customers of Host's Cheers bars. For the purposes of this analysis, a jury could reasonably conclude that their mark is strong.

For the same reason, their 'goods' (their skill and fame as actors) are obviously related to Host's 'goods' (the products sold in the Cheers bars and the bars themselves) even if they are not strictly competitive. The issue is whether a consumer would be confused as to Wendt and Ratzenberger's association with or sponsorship of Host's bars. *See White*, 971 F.2d at 1400 ("In cases concerning confusion over celebrity endorsement, the plaintiff's 'goods' concern the reasons for or source of the plaintiff's fame.") The source of their fame and the Host bars are identical: the Cheers television series. A jury could conclude that this factor weighs in appellants' favor because it would be reasonable for a customer to be confused as to the nature of Wendt and Ratzenberger's association with Host's Cheers bars and the goods sold there.

The third factor, the similarity of the marks, is the primary issue in dispute. Because appellants have raised triable issues of material fact concerning the degree to which the robots resemble the appellants, a reasonable jury might find that this factor weighs in appellants' favor. Under the Lanham Act, in camera inspection is not sufficient; the district court must view the marks "as they appear in the marketplace." *E & J Gallo Winery* v. *Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992).

Appellants presented evidence of actual confusion, the fourth factor. Both Ratzenberger and Wendt stated in their declarations that they have been approached by members of the public who commented on the similarity between the appellants and the robots at the Cheers airport bars: "The usual comment is some variation on 'Hey George, I just had a drink with you in Kansas City.' " They also submitted evidence of consumer confusion to the district court prior to summary judgment in the form of survey evidence. The court rejected this evidence as "not a good survey." For reasons detailed below, this evidence should not have been excluded. Sufficient evidence exists by which a reasonable jury might infer actual consumer confusion.

The fifth factor, marketing channels used, weighs in the appellants' favor. The allegation is that Host is appropriating appellants' likenesses because the target audience of the Cheers bars are customers who are fans of the television series. Such a similarity in marketing channels suggests that there is at least a likelihood of consumer confusion.

The sixth factor, likely degree of purchaser care, weighs in favor of appellants as well. Consumers are not likely to be particularly careful in determining who endorses or is affiliated with an airport bar in which they might purchase only a single beverage. They will be even less likely to scrutinize the source of the animatronic figures which are not for sale, but are used instead to attract patrons to the

bars. This low degree of care makes confusion of sponsorship likely. *See White*, 971 F.2d at 1400 ("consumers are not likely to be particularly careful in determining who endorses VCR's, making confusion as to their endorsement more likely.")

The seventh factor is defendant's intent in selecting the mark. Appellants have alleged facts that could give rise to an inference that Host intended to confuse customers as to Wendt and Ratzenberger's sponsorship or endorsement of the Cheers bars by creating robots with their physical characteristics. *See AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341, 354 (9th Cir. 1979) ("When the alleged infringer knowingly adopts a mark similar to another's, reviewing courts presume that the defendant can accomplish his purpose: that is, that the public will be deceived."). In their opposition to summary judgment appellants submitted evidence that Host intentionally designed the animatronic figures to resemble Wendt and Ratzenberger and that it recognized from the outset that the value of the association with Wendt and Ratzenberger themselves was "a major drawing card of the Cheers concept." After being advised that appellants would not agree to the use of their likenesses, Host altered the robots cosmetically, named them "Hank" and "Bob,"[2] and refused to recast them into a "friendly neighborhood couple," as they were advised to do by Paramount. Based on this evidence, an inference can be raised that Host intended to exploit the appellants' celebrity by confusion as to the similarity between the figures and the appellants.

We have found that the eighth factor, likelihood of expansion of the product lines, "does not appear apposite to a celebrity endorsement case," *White*, 971 F.2d at 1401. Here, however, Ratzenberger has offered evidence that he would like to appear in advertisements for beer and has

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[2] Until that point "Hank" was referred to in the record as "Cliff" and "Bob" as "Norm."

declined offers from small breweries in order to be available to a large brewery. "Inasmuch as a trademark owner is afforded greater protection against competing goods, a 'strong possibility' that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing." *Sleekcraft*, 599 F.2d at 354 (citing Restatement of Torts § 731(b)). This factor therefore weighs in appellants' favor as the potential exists that in the future Ratzenberger's endorsement of other beers would be confused with his alleged endorsement of the beers sold at Host's bars.

A reasonable jury could conclude that most of the factors weigh in appellants' favor and that Host's alleged conduct creates at least the likelihood of consumer confusion. Whether appellants' Lanham Act claim should succeed, of course, is a matter for the jury. Accordingly, we reverse the dismissal of the unfair competition claim and remand.

D. Exclusion of Survey Evidence

In their opposition to Paramount's summary judgment motion, appellants offered into evidence the results of a consumer survey taken in the vicinity of the Cheers bars at the Cleveland and Kansas City airports. The district court refused to admit the evidence, saying that the evidence was "not a good survey."

As the record stood, the refusal was an abuse of discretion. In trademark cases, surveys are to be admitted as long as they are conducted according to accepted principles and are relevant. *E & J Gallo Winery*, 967 F.2d at 1280; *see also Prudential Ins. Co. of Am.* v. *Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982). Challenges to survey methodology go to the weight given the survey, not its admissibility. *Prudential Ins.*, 694 F.2d at 1156. However, because of the paucity of the record, upon remand, the parties should have the opportunity respectively to lay a foun-

dation for the admission of the survey or to challenge the adequacy of the foundation.

E. Exclusion of Expert Testimony

Prior to the first appeal in this case the district court issued a Preclusion Order barring the introduction of expert testimony as a sanction against appellants' former counsel for failure to disclose damage evidence and for being late disclosing experts. Upon remand, the district court denied appellants' request that it vacate its order.

The initial Preclusion Order was issued on August 9, 1993 as a sanction against appellants' former counsel. At that time, counsel's failure to comply with discovery rules potentially prejudiced Host and Paramount's ability to prepare adequately for trial. Today, that is not so. Both parties now have ample opportunity to begin the expert disclosure procedure anew.

Wanderer v. *Johnston*, 910 F.2d 652, 656 (9th Cir. 1990), requires us to determine whether a sanction is proper under a five-factor test analyzing: 1) the public's interest in expeditious resolution of litigation; 2) the court's need to manage its docket; 3) the risk of prejudice to the defendants; 4) the public policy favoring disposition of cases on their merits; 5) the availability of less drastic sanctions. We conclude that under this test, the Preclusion Order is no longer proper. Less drastic sanctions are available and the defendants are no longer prejudiced by the actions of appellants' former counsel. We grant appellants' request to vacate the Preclusion Order upon remand. However, the district court, may, in its discretion, impose reasonable monetary sanctions upon appellants' former counsel for failure to comply with discovery rules.

F. Attorney's Fees

Because we reverse the grant of summary judgment under Cal. Civ. Code § 3344, we reverse the grant of attorney's fees to Host and Paramount and deny their requests for attorney's fees on appeal.

IV. CONCLUSION

The grant of summary judgment is reversed and the case is remanded to the district court for trial. The admission of the survey evidence should be reconsidered at trial. The Preclusion Order is vacated and appropriate sanctions other than preclusion may be considered. The grant of attorney's fees is reversed.

REVERSED and REMANDED.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed January 19, 1996

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—vs.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

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DEFENDANT IN INTERVENTION PARAMOUNT PICTURES CORPORATION'S SEPARATE STATEMENT OF UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

After consideration of the papers submitted in support of and in opposition to the motion by Defendant in Intervention Paramount Pictures Corporation ("Paramount") for summary judgment, in which defendant Host International, Inc. ("Host") joined, as well as the oral testimony of witnesses, argument of counsel and a three-dimensional comparison of the two plaintiffs and the two animatronic figures, the Court determines that the following facts have been established as:

UNCONTROVERTED FACTS

Fact	*Evidence*
1. Paramount owns the copyright to each episode of the "Cheers" television series.	Declaration of Karen Magid and Exhibits 1 through 4 thereto.
2. The animatronic figures "Bob" and "Hank", admitted into evidence as Exhibits 1 and 2, respectively, and Plaintiffs George Wendt and John D. Ratzenberger were in Court for the hearing on the motion for summary judgment on December 18,	Memorandum of Opinion at page 4.

1995, so the Court could make a three-dimensional comparison of the Plaintiffs and the animatronic figures as directed by the Ninth Circuit.	
3. The Court made the required three-dimensional comparison which included having Plaintiffs stand next to and assume similar postures to those of Exhibits 1 and 2.	Plaintiffs and Exhibits 1 and 2.
4. The facial features of Exhibits 1 and 2 and the Plaintiffs are totally different.	Exhibits 1 and 2 and Plaintiffs.
5. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are not likenesses of Plaintiffs.	Exhibits 1 and 2 and Plaintiffs.
6. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are not similar in appearance in any way to Plaintiffs.	Exhibits 1 and 2 and Plaintiffs.
7. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are the figures which are normally located in the Las Vegas Host airport facility and their appearance has not changed	Testimony of Robert Ebert.

since they were originally installed in Las Vegas.

8. The animatronic figures in all the Host facilities are virtually identical in appearance to Exhibits 1 and 2.	Pre-trial conference order ¶¶ 5ff and 5gg, and testimony of Stanley Novack.

Based upon the foregoing, the Court now makes its:

CONCLUSIONS OF LAW

1. The Court has jurisdiction over this action pursuant to 28 U.S.C §§ 1331 and 1338.

2. Paramount owns the copyright to each episode of the television series known as "Cheers" and to all copyrightable components contained therein, including the fictional characters "Norm" and "Cliff" and any derivative works. Paramount was entitled to license Host to create Cheers bars using the Cheers decor, theme and characters.

3. Exhibits 1 and 2 are derivative works of the "Cheers" television series.

4. No reasonable jury could find that Exhibits 1 and 2 are likenesses of Plaintiffs.

5. No reasonable jury could find that Exhibits 1 and 2 are similar in any manner whatsoever to Plaintiffs.

6. Plaintiffs' claims for infringement of right of publicity, invasion of privacy by appropriation of name and likeness (California Civil Code Section 3344), and invasion of privacy, all fail because Exhibits 1 and 2 are not likenesses of Plaintiffs, are not similar in any way to Plaintiffs and do not, in any sense, misappropriate Plaintiffs' respective identities.

7. Plaintiffs' claims of unfair competition under the Lanham Act and California Business and Professions Code §§ 17200, et seq., and the claim for unjust enrichment fail because Plaintiffs are not similar in any way to and are completely different from Exhibits 1 and 2, there is no relatedness of the goods, there is no actual confusion, the marketing channels are totally dissimilar, and there is no likelihood of confusion.

8. Plaintiffs have no rights, proprietary or otherwise, in the fictional characters "Norm" and "Cliff".

9. Plaintiffs have no rights, proprietary or otherwise, in their respective portrayals of the fictional characters "Norm" and "Cliff".

JUDGMENT

Judgment shall be entered in favor of Paramount and Host and each of them and against Plaintiffs, and each of them, consistent herewith.

DATED: January 19, 1996 /s/ MANUEL L. REAL
UNITED STATES
DISTRICT JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS, CLAMAN
& MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN

Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed January 19, 1996

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—VS.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
ROBERT S. CHAPMAN/State Bar No. 070428
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PARAMOUNT PICTURES CORPORATION

JUDGMENT

This matter came on for hearing before the Court on December 18, 1995 and January 2, 1996, the Honorable Manuel L. Real, United States District Judge, presiding, on Defendant in Intervention Paramount Pictures Corporation's Motion for Summary Judgment in which Defendant Host International, Inc. joined. The evidence presented having been fully considered, the issues having been duly heard, and a decision having been duly rendered,

IT IS ORDERED AND ADJUDGED that Plaintiffs George Wendt and John D. Ratzenberger recover nothing on their complaint against Defendant in Intervention Paramount Pictures Corporation and Defendant Host International, Inc.

IT IS FURTHER ORDERED AND ADJUDGED that Defendant in Intervention Paramount Pictures Corporation recover costs in the sum of $_____ and attorneys' fees in the sum of $_____ and that Defendant Host International, Inc. recover costs in the sum of $_____ and attorneys' fees in the sum of $_____.

DATED: January 19, 1996 /s/ MANUEL L. REAL
Manuel L. Real, Judge
United States
District Court

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN

Attorneys for Defendant in Intervention
PARAMOUNT PICTURES CORPORATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Nos. 93-56318, 93-56510
Argued and Submitted Feb. 7, 1995
Decided March 16, 1995

GEORGE WENDT and JOHN D. RATZENBERGER,

Plaintiffs-Appellants,

—v.—

HOST INTERNATIONAL, INC.,

Defendant-Appellee.

PARAMOUNT PICTURES CORPORATION,

Applicant in Intervention-Appellee.

Appeal from the United States District Court, for the Central District of California, D.C. No. CV-93-00142-R; Manuel L. Real, District Judge, Presiding.

REVERSED.

Before:

FERGUSON, BEEZER and NOONAN,
Circuit Judges.

MEMORANDUM*

Plaintiffs George Wendt and John Ratzenberger appeal the district court's grant of summary judgment in favor of defendant Host International, Inc. ("Host") and applicant in intervention Paramount Pictures Corporation ("Paramount"), as well as the district court's orders awarding Host and Paramount their attorney fees. This case involves claims arising from the alleged appropriation of plaintiffs' identities in the design of animatronic figures placed in bars operated by defendant Host. We have jurisdiction, 28 U.S.C. § 1291, and we reverse.

I

We review a grant of summary judgment de novo. *Jesinger* v. *Nevada Fed. Credit Union*, 24 F.3d 1127, 1130 (9th Cir.1994). We view the evidence in the light most favorable to the nonmoving party, and must determine whether there are disputed issues of material fact and whether the district court correctly applied the substantive law. *Id.* at 1339-40.

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* This disposition is not appropriate for publication and may not be cited to or used by the courts of this circuit except as provided by Ninth Circuit Rule 36-3.

II

At the outset, we wish to make it clear that this is not a preemption case. Plaintiffs' causes of action are not preempted by federal copyright law. *Midler* v. *Ford Motor Co.*, 849 F.2d 460, 462-63 (9th Cir.1988) ("What is put forward as protectable here is more personal than any work of authorship. . . . A voice is as distinctive as a face.") (emphasis added). More broadly, plaintiffs' claims are not preempted by the federal copyright statute so long as they "contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement." *Waits* v. *Frito Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir.1992) (quoting H.R.Rep. No. 1476, 94th Cong., 2d Sess. 132, reprinted in 1976 U.S.C.C.A.N. 5659, 5748), *cert. denied*, 113 S.Ct. 1047 (1993).

In *Waits*, we held that the unauthorized commercial use of one's identity is an invasion of "a personal property right," different in kind from copyright infringement. 978 F.2d at 1100. This is true because the torts at issue require the proof of additional elements beyond those essential to show copyright infringement. *See id.* For example, both section 334 and the common law right of publicity tort require proof that the defendant's use of the plaintiff's "likeness" or "identity" was commercial (*i.e.* connected with selling or promoting a product), whereas copyright infringement occurs with any unauthorized copying of the protected material. *See* 17 U.S.C. §§ 106, 501; *Brown Bag Software* v. *Symantec Corp.*, 960 F.2d 1465, 1472 (9th Cir.), *cert. denied*, 113 S.Ct. 198 (1992).

Plaintiffs' state law causes of action are not preempted by the operation of federal copyright statutes.

III

The district court ruled, based upon photographs of Wendt, Ratzenberger and the "Hank" and "Bob" animatronic figures, that, as a matter of law, the figures were insufficiently similar to plaintiffs to constitute their "likenesses" under California Civil Code section 3344. We disagree; there are disputed issues of material fact which preclude summary judgment.

"Section 3344 is a statutory enactment of the commercial appropriation derivation of the common-law right to privacy. *See* W. Page Keeton et al., Prosser and Keeton on Torts § 117, at 851-52 (5th ed. 1984). In pertinent part, it provides that "[a]ny person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner . . . for purposes of advertising or selling . . . without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof." Cal. Civ. Code § 3344 (West 1995). A "likeness" refers to a visual image of a person, other than a photograph. *Midler*, 849 F.2d at 463; *see also* Cal.Civ.Code § 3344(b) (defining "photograph").

In *White* v. *Samsung Electronics America, Inc.*, 971 F.2d 1395, 1397 (9th Cir.1992), *cert. denied*, 113 S.Ct. 2443 (1993), we determined that a robot in a blonde wig with metallic, mechanical features was not the "likeness" of Vanna White under section 3344. Importantly, White makes it clear that whether an image is a "likeness" under section 3344 must be decided without reference to the context in which the image appears. In concluding that White's claim failed, we stated that we were not "deciding for all purposes when a caricature or impressionistic resemblance might become a 'likeness.' " *Id.* Thus, *White* is not controlling here.

In *White*, the court determined that, although the robot was not a "likeness" of the plaintiff, the context in which

the robot appeared created a material issue of fact as to whether the defendants had appropriated the plaintiff's identity within the meaning of the California common law right of publicity.[1] *Id.* at 1397-99. Hence, under section 3344, whether the animatronic figures are likenesses of Wendt and Ratzenberger must be determined without reference to the familiar clothing and setting in which the figures appear.

The district court compared photographs of plaintiffs Wendt and Ratzenberger with photographs of the animatronic figures and took "judicial notice" of the fact that the figures were not identical to plaintiffs. This conclusion appears to have been the basis of the district court's summary judgment on the section 3344 claims. We need not determine whether the district court's purported taking of judicial notice was correct. Assuming that the facts judicially noticed are true, the case is not at an end. The question here is whether the three dimensional animatronic figures are sufficiently similar to plaintiffs to constitute their likenesses. Based on the limited record before us, it cannot be said as a matter of law that the figures are so dissimilar from plaintiffs that no reasonable trier of fact could find that them to be "likenesses." That question must be determined by a comparison of the actual, three-dimensional entities.

IV

As to the plaintiffs' common law right of publicity claims, the parties dispute the correct legal standards to be applied. We need not determine the exact reach of the law; we conclude that even under the narrowest definition there is a disputed issue of material fact.

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[1] The robot appeared in a Samsung commercial, standing in plaintiff's customary position on a facsimile of the set of the "Wheel of Fortune" game show.

Appellees contend that the dress and setting in which the animatronic figures appear invoke the characters "Norm" and "Cliff," rather than the plaintiffs' identities as individuals. Paramount argues that the "Norm" and "Cliff" characters are its property, not part of plaintiffs' identities protected under the right of publicity. Even if we assume that this is correct, and we make no such holding, we have already explained that the similarity between plaintiffs' human physical characteristics and those of the figures is sufficient to create a disputed issue of material fact.

V

Plaintiffs' final substantive claim is for unfair competition under section 43(a) the Lanham Act (15 U.S.C. § 1125(a)).

In this situation, section 43(a) will provide a cause of action for Wendt and Ratzenberger if Host's conduct has created a likelihood of confusion as to whether plaintiffs were endorsing Host's product. *White*, 971 F.2d at 1399-1400. There is a well settled eight factor test to be applied to celebrity endorsement cases under section 43(a). *Newton* v. *Thomason*, 22 F. 3d 1455, 1462 (9th Cir. 1994).

In light of our other holdings, it is sufficient to observe that one of the primary factors to be considered is the "similarity of the marks." *Id.* As there is a disputed issue of material fact as to the similarity between plaintiffs and the figures, summary judgment was inappropriate on this claim.

VI

Plaintiffs challenge the district court's ruling on a motion *in limine* brought by Host. That ruling is not properly before us at this time. The motion is not dispositive of the

case. We are remanding the case for trial, and have no way to divine what the state of the record will be after the trial is complete. We express no opinion on the propriety of the district court's ruling.

VII

The judgment of the district court is REVERSED.

The district court's attorney fee awards are VACATED. As no party has yet prevailed on the merits, no additional award of attorney fees is appropriate at this time.

REVERSED in part, VACATED in part and REMANDED.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed August 25, 1993

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—vs.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
ROBERT S. CHAPMAN/State Bar No. 070428
CARRIE A. LEVINSON/State Bar No. 119760
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Attorneys for Defendant in Intervention
PARAMOUNT PICTURES CORPORATION

DEFENDANT IN INTERVENTION PARAMOUNT PICTURES CORPORATION'S SEPARATE STATEMENT OF UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

After consideration of the papers submitted in support of and in opposition to the motion by Defendant in Intervention Paramount Pictures Corporation ("Paramount"), for summary judgment, in which defendant Host International, Inc. ("Host") joined, as well as the oral argument of counsel, the court determines that the following facts have been established as:

UNCONTROVERTED FACTS

Fact	*Evidence*
1. Paramount owns the copyright to each episode of the "Cheers" television series.	a. Declaration of Robert Cohen and Exhibits 1-4 thereto.
2. Photographs depicting Plaintiffs George Wendt and John D. Ratzenberger are attached as Exhibit 154 to Defendant Host International, Inc.'s Memorandum of Contentions of Fact and Law, filed June 28, 1993.	a. Request for Judicial Notice, filed concurrently herewith.
3. Photographs depicting the "Hank" and "Bob" animatronic figures at issue in this lawsuit are attached	a. Request for Judicial Notice, filed concurrently herewith.

as Exhibit 153 to Defendant Host International, Inc.'s Memorandum of Contentions of Fact and Law, filed June 28, 1993.	
4. The "Hank" and "Bob" animatronic figures are not exact replicas of Plaintiffs.	a. Request for Judicial Notice, filed concurrently herewith.
5. Plaintiffs claim the animatronic figures evoke in the minds of the general public Plaintiffs in the portrayal of their respective roles of "Norm" and "Cliff."	a. Complaint, ¶ 16.

Based upon the foregoing, the court now makes its:

CONCLUSIONS OF LAW

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338.

2. Paramount owns the copyright to each episode of the television series known as "Cheers" and to all copyrightable components contained therein, including the fictional characters "Norm" and "Cliff."

3. As the copyright holder of each episode of the television series "Cheers" and all copyrighted components contained therein, Paramount has the exclusive rights granted a copyright owner, as set forth in 17 U.S.C. §§ 106 *et seq.*

4. As the copyright owner, Paramount was acting within its rights to the extent it licensed another to create and use, the "Hank" and "Bob" animatronic figures in the manner alleged in this action.

5. As a result, all Plaintiffs claims fail as a matter of law and Paramount and Host are entitled to summary judgment thereon.

6. Plaintiffs' purported claims for infringement of right of publicity; invasion of privacy by appropriation of name and likeness (Cal.Civ.Code § 3344); invasion of privacy; unfair business practices (Bus. & Prof. Code § 17200, *et seq.*) and unjust enrichment conflict with the Copyright Act of 1976 and thus fail as a matter of law by virtue of federal preemption (17 U.S.C. § 301).

7. Each of plaintiffs' claims is premised on the proposition that the "Hank" and "Bob" animatronic figures evoke in the minds of the general public the image of plaintiffs playing their respective fictional roles, and, that as a result, plaintiffs have certain rights to control the commercialization of the animatronic figures. Even if the Court were to assume that the animatronic figures evoke such an image in the minds of the general public (and the Court does not so hold), this does not give plaintiffs proprietary rights in the fictional characters that they played, or the animatronic figures, or otherwise diminish the exclusive rights granted to Paramount as the copyright owner.

8. Accordingly, Plaintiffs' claims fail as a matter of law.

9. The animatronic figures are not "likenesses" of plaintiffs within the meaning of Civil Code section 3344. Accordingly, plaintiffs' purported claim for violation of Civil Code Section 3344 fails as a matter of law.

JUDGMENT

10. Judgment shall be entered in favor of Paramount and Host, and each of them, and against plaintiffs, and each of them, consistent herewith.

DATED: August 25, 1993 /s/ MANUEL L. REAL
UNITED STATES
DISTRICT JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN
Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed August 25, 1993

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—VS.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
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PARAMOUNT PICTURES CORPORATION

JUDGMENT ON PARAMOUNT PICTURES CORPORATION'S MOTION FOR SUMMARY JUDGMENT

This matter came on for hearing before the Court on August 2, 1993, the Honorable Manuel L. Real, United States District Judge, presiding, on Defendant in Intervention Paramount Pictures Corporation's Motion for Summary Judgment in which defendant Host International, Inc. joined. The evidence presented having been fully considered, the issues having been duly heard, and a decision having been duly rendered,

IT IS ORDERED AND ADJUDGED that Plaintiffs George Wendt and John D. Ratzenberger recover nothing on their Complaint against defendant in intervention Paramount Pictures Corporation and defendant Host International, Inc.

IT IS FURTHER ORDERED AND ADJUDGED that defendant in intervention Paramount Pictures Corporation recover costs in the sum of $_____ defendant Host International, Inc. recover costs in the sum of $_____.

DATED: August 25, 1993 /s/ MANUEL L. REAL
MANUEL L. REAL
UNITED STATES
DISTRICT COURT
JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN
Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 96-55243
December 28, 1999

GEORGE WENDT, an individual;
JOHN RATZENBERGER, an individual,

Plaintiffs-Appellants,

—v.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant-Appellee,

—and—

PARAMOUNT PICTURES, CORPORATION,
a Delaware corporation,

Defendant-Intervenor.

Before:

FLETCHER and TROTT, *Circuit Judges*,
and JENKINS,* *District Judge*.

Order; Dissent by Judge KOZINSKI

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* Honorable Bruce S. Jenkins, Senior United States District Judge for the District of Utah, sitting by designation.

ORDER

The panel has voted to deny the petition for rehearing. Judge Trott voted to reject the petition for rehearing *en banc* and Judges B. Fletcher and Jenkins so recommend.

The full court was advised of the petition for rehearing *en banc*. An active Judge requested a vote on whether to rehear the matter *en banc*. The matter failed to receive a majority of the votes in favor of *en banc* consideration. Fed. R. App. P. 35.

The petition for rehearing is denied and the petition for rehearing *en banc* is rejected.

KOZINSKI, *Circuit Judge*, with whom Judges KLEINFELD and TASHIMA join, dissenting from the order rejecting the suggestion for rehearing *en banc*:

Robots again. In *White* v. *Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992), we held that the right of publicity extends not just to the name, likeness, voice and signature of a famous person, but to anything at all that evokes that person's identity. The plaintiff there was Vanna White, Wheel of Fortune letter-turner extraordinaire; the offending robot stood next to a letter board, decked out in a blonde wig, Vanna-style gown and garish jewelry. Dissenting from our failure to take the case *en banc*, I argued that our broad application of the right of publicity put state law on a collision course with the federal rights of the copyright holder. *See* 989 F.2d 1512, 1517-18 (9th Cir. 1993).

The conflict in *White* was hypothetical, since the defendant (Samsung) did not have a license from the Wheel of Fortune copyright holder. Here it is concrete: The panel holds that licensed animatronic figures based on the copyrighted Cheers characters Norm and Cliff infringe on the rights of the actors who portrayed them. As I predicted, White's voracious logic swallows up rights conferred by Congress under the Copyright Act.

I

Though a bit dated now, Cheers remains near and dear to the hearts of many TV viewers. Set in a friendly neighborhood bar in Boston, the show revolved around a familiar scene. Sam, the owner and bartender, entertained the boys with tales of his glory days pitching for the Red Sox. Coach piped in with sincere, obtuse advice. Diane and Frasier chattered self-importantly about Lord Byron. Carla terrorized patrons with acerbic comments. And there were Norm and Cliff, the two characters at issue here. Norm, a fat, endearing, oft-unemployed[1] accountant, parked himself at the corner of the bar, where he was joined by Cliff, a dweebish[2] mailman and something of a know-it-all windbag.[3] After eleven years on the air, the gang at Cheers became like family to many fans, ensuring many more years in syndication. *See* Gebe Martinez, "Cheers" Fans Cry in Their Beers as Sitcom Ends Long Run, L.A. Times, May 21, 1993, at B1.

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[1] Sam: "Hey, what's happening, Norm?"

Norm: "Well, it's a dog-eat-dog world, and I'm wearing Milk Bone underwear."

[2] "There's no rule against postal workers not dating women. It just works out that way."

[3] "It's a little known fact that the tan became popular in what is known as the Bronze Age."

Defendant Host International decided to tap into this keg of goodwill. After securing a license from Paramount, the copyright holder, Host opened a line of Cheers airport bars. To help get patrons into a Cheers mood, Host populated the bars with animatronic figures[4] resembling Norm and Cliff: One is fat; the other is dressed as a mailman.[5]

Plaintiffs George Wendt and John Ratzenberger, the only actors who ever portrayed Norm and Cliff, sued Host for unfair competition and violation of their right of publicity. Paramount intervened, claiming that its copyright pre-empted any claim Wendt and Ratzenberger might have under state law. The district court granted summary judgment for the defendants because it found that the robots didn't look like the plaintiffs: "[T]here is [no] similarity at all . . . except that one of the robots, like one of the plaintiffs, is heavier than the other . . . . The facial features are totally different." 125 F.3d at 809. Relying on *White*, the panel here reverses but offers little explanation beyond the curt assertion that "material facts exist that might cause a reasonable jury to find [the robots] sufficiently 'like' [Wendt and Ratzenberger] to violate" their right of publicity. *Id.* at 810.

II

This case, unlike *White*, pits actor against copyright holder. The parties are fighting over the same bundle of intellectual property rights—the right to make dramatic representations of the characters Norm and Cliff. Host and Paramount assert their right under the Copyright Act to present the Cheers characters in airport bars; Wendt and

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[4] As best the record discloses, these are life-size stuffed dolls that move somewhat and play pre-recorded quips.

[5] In a half-hearted attempt to avoid litigation, Host changed the robots' names to "Hank" and "Bob."

Ratzenberger assert their right under California law to control the exploitation of their likenesses. But to millions of viewers, Wendt and Ratzenberger are Norm and Cliff; it's impossible to exploit the latter without also evoking thoughts about the former.

So who wins? The Copyright Act makes it simple, at least insofar as the plaintiffs interfere with Paramount's right to exploit the Cheers characters. Section 301 of the Copyright Act preempts any state law "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright[.]" 17 U.S.C. § 301(a). The copyright to Cheers carries with it the right to make derivative works based on its characters. *See generally Warner Bros., Inc.* v. *American Broadcasting Cos.*, 720 F.2d 231, 235 (2d Cir.1983) (Superman copyright belongs to Warner Brothers). The presentation of the robots in the Cheers bars is a derivative work, just like a TV clip, promotion, photograph, poster, sequel or dramatic rendering of an episode. Thus, under federal law, Host has the unconditional right to present robots that resemble Norm and Cliff.

Instead, the panel allows the plaintiffs to pick up where Vanna left off: Copyright or no copyright, anyone who wants to use a figure, statue, robot, drawing or poster that reminds the public of Wendt and Ratzenberger must first obtain (and pay for) their consent. This cannot be squared with the right of the copyright holder to recreate Norm and Cliff however it sees fit. At the very least, Paramount must be able to reproduce the characteristics that bring Norm and Cliff to mind.

The problem lies with the sweeping standard we adopted in *White*. The right of publicity, as defined by the state courts, is limited to using a celebrity's name, voice, face or signature. *See, e.g., Stephano* v. *News Group Publications, Inc.*, 64 N.Y.2d 174, 485 N.Y.S.2d 220, 474 N.E.2d 580, 583-84 (1984) (finding right of publicity under New York

law limited to statutory protection of "name, portrait or picture"); *Lugosi* v. *Universal Pictures*, 25 Cal. 3d 813, 828, 160 Cal.Rptr. 323, 603 P.2d 425 (1979) (Mosk, J., concurring) ("If Bela Lugosi were alive today, he would be unable to claim an invasion of his right to privacy for Universal's exploitation . . . of products created in the image of Count Dracula, a role Lugosi played."). A copyright holder can generally avoid using any of these tangible elements in exploiting its copyright. *White* exploded the right of publicity to include anything that brings the celebrity to mind. *See White*, 971 F.2d at 1399. It's inevitable that so broad and ill-defined a property right will trench on the rights of the copyright holder. According to the panel, Paramount and Host may not use Norm and Cliff in a way that reminds people of the actors who played them and whose identity is therefore fused in the public mind. This is a daunting burden. Can Warner Brothers exploit Rhett Butler without also reminding people of Clark Gable? Can Paramount cast Shelley Long in The Brady Bunch Movie without creating a triable issue of fact as to whether it is treading on Florence Henderson's right of publicity? How about Dracula and Bela Lugosi? Ripley and Sigourney Weaver? Kramer and Michael Richards?

When portraying a character who was portrayed by an actor, it is impossible to recreate the character without evoking the image of the actor in the minds of viewers. Suppose the Seinfeld minions create a spin-off called Kramer. One of the Seinfeld characters was Newman, a fat mailman. Suppose Wayne Knight—the actor who played Newman—won't do Kramer. So Kramer brings in someone else to play Newman, a corpulent actor who (when dressed as a mailman) reminds people of Wayne Knight. What happens when Knight sues? Under *White* and the panel decision here, Knight can go to trial on a claim that the new Newman evokes his (Knight's) identity, even though Castle Rock owns the rights to make derivative works based on

Seinfeld. It would be no defense that everyone knows the new actor is not Wayne Knight; no one, after all, thinks the robots here or in *White* were, in fact, Wendt, Ratzenberger or White. So long as the casting director comes up with a new Newman who reminds the public of the old Newman (i.e. Knight), Knight has a right-of-publicity claim that will at least survive summary judgment. Under the unbounded right of publicity announced in *White*, copyright holders will seldom be able to avoid trial when sued for infringement of the right to publicity. Remember Vanna: Even though the robot looked nothing like her, a jury awarded her $400,000. *See* Vanna White Wins Suit, Wall St. J., Jan. 24, 1994, at B2.[6]

III

The panel's refusal to recognize copyright preemption puts us in conflict with the Seventh Circuit in *Baltimore Orioles, Inc.* v. *Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir.1986). Baltimore Orioles held that the baseball clubs—not the players—own the rights to baseball telecasts under copyright law, and the players can't use their state law right of publicity to veto the telecast of their performance. This was so even though the telecast (obviously) used the players' identities and likenesses.

The Seventh Circuit acknowledged that the state law right of publicity gave the players a property interest in their actual performances, *see Zacchini* v. *Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 97 S.Ct. 2849, 53 L.Ed.2d

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[6] To avoid going to trial in such a situation, producers will have to cast new actors who look and sound very different from the old ones. A Seinfeld spin-off thus ends up in a bizarro world where a skinny Newman sits down to coffee with a svelte George, a stocky Kramer, a fat Jerry and a lanky blonde Elaine. Not only is goodwill associated with the old show lost, the artistic freedom of the screenwriters and producers is severely cramped.

965 (1977), but held that this right could not trump the Clubs' right under the Copyright Act to control the telecast. *See* 805 F.2d at 678-79. The Seventh Circuit recognized, as the panel here does not, that the players and the clubs were fighting over the same bundle of intellectual property rights:

> In this litigation, the Players have attempted to obtain *ex post* what they did not negotiate *ex ante*. That is to say, they seek a judicial declaration that they possess a right—the right to control the telecasts of major league baseball games—that they could not procure in bargaining with the Clubs.

Id. at 679. The clubs owned both the right to sell tickets to see the games and the copyright to the telecast. The copyright preempted whatever state law rights the players claimed, at least insofar as state law would prevent ordinary use of the copyrighted work. *See also Fleet* v. *CBS, Inc.*, 50 Cal.App.4th 1911, 1920-21, 58 Cal.Rptr.2d 645 (1996). The same reasoning applies here: The plaintiffs' right to control the use of their likeness is preempted by Paramount's right to exploit the Norm and Cliff characters however it sees fit. If Wendt and Ratzenberger wanted to control how the Cheers characters were portrayed after they left the show, they should have negotiated for it beforehand.[7]

---

[7] The Seventh Circuit is not alone in recognizing the need to limit the right of publicity. *See, e.g., Allison* v. *Vintage Sports Plaques*, 136 F.3d 1443, 1447-49 (11th Cir. 1998) (recognizing first sale doctrine as limiting right of publicity). Scholars, too, have soundly rejected *White*. *See* Arlen W. Langvardt, The Troubling Implications of a Right of Publicity "Wheel" Spun Out of Control, 45 U. Kan. L. Rev. 329 (1997); Stephen R. Barnett, First Amendment Limits on the Right of Publicity, 30 Tort & Ins. L.J. 635 (1995); Steven C. Clay, Starstruck: The Overextension of Celebrity Publicity Rights in State and Federal Courts, 79 Minn. L. Rev. 485 (1994); Jeff Sanders, By Force of Persona: How the Right of Publicity Under-

IV

Coming home to roost is yet another problem I warned about in *White*—that a broad reading of the state right of publicity runs afoul of the dormant Copyright Clause, which preempts state intellectual property laws to the extent they "prejudice the interests of other States." *Goldstein* v. *California*, 412 U.S. 546, 558, 93 S.Ct. 2303, 37 L.Ed.2d 163 (1973). Just as a state law regulating the length of trucks is invalid under the dormant Commerce Clause if it poses an undue burden on interstate commerce, *see Kassel* v. *Consolidated Freightways Corp.*, 450 U.S. 662, 674, 101 S.Ct. 1309, 67 L.Ed.2d 580 (1981), so California's right of publicity law is invalid if it substantially interferes with federal copyright law, even absent preemptive legislation.

A copyright licensee must be able to exercise rights which are inherently federal in nature without worrying that 50 separate states will burden those rights. This is most obviously true when state law restricts the display of derivative works outside the borders of its state. *Compare Goldstein*, 412 U.S. at 558, 93 S.Ct. 2303. Yet that is exactly what the panel approves here: Plaintiffs are using California law to stop Host from displaying a copyrighted work in Kansas City and Cleveland. Why California should set the national standard for what is a permissible use of a licensed derivative work is beyond me. Rather than construe the right of publicity narrowly to avoid this constitutional conundrum, *see Crowell* v. *Benson*, 285 U.S. 22, 62, 52 S.Ct. 285, 76 L.Ed. 598 (1932), the panel com-

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mines the First Amendment, 28 Beverly Hills B. Ass'n J. 13 (1994). Even our treatment of Wendt and Ratzenberger's claim has already been criticized. *See* Felix H. Kent, Right of Privacy and of Publicity, N.Y.L.J., Dec. 19, 1997, at 3; Recent Case, 17 No. 4 Ent. L. Rep. 17 (1995).

pounds White's errors by enforcing California's right of publicity way beyond California's borders.

V

The First Amendment concerns raised by *White* are even more pressing here. White was an advertisement and therefore subject to the less demanding commercial speech standard of *Central Hudson Gas & Elec. Corp.* v. *Public Serv. Comm.*, 447 U.S. 557, 561-63, 100 S.Ct. 2343, 65 L.Ed.2d 341 (1980). Here, the portrayal of the Cheers characters is core protected speech: Using Norm and Cliff dummies in a Cheers-themed bar is a dramatic presentation.[8] It's like a play. Cheers may not have the social impact of Hair, *see Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546, 95 S.Ct. 1239, 43 L.Ed.2d 448 (1975), but it's a literary work nonetheless, worthy of the highest First Amendment protection from intrusive state laws like California's right-of-publicity statute. *See Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959, 970-72 (10th Cir. 1996). Host did not plaster Wendt's face on a billboard with a Budweiser logo. It cashed in on the Cheers goodwill by creatively putting its familiar mise-en-scene to work. The robots are a new derivation of a copyrighted work, not unlike a TV series based on a movie or a Broadway play based on a novel. The novelty of using animatronic figures based on TV characters ought to prick up our ears to First

---

[8] No doubt the decision to put animatronic Norm and Cliff figures in the bars was profit-driven. But that doesn't mean *Central Hudson* applies: The Supreme Court limits the outhouse of commercial speech to pure advertising—speech that does no more than propose a commercial transaction. *Virginia State Bd. of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762, 96 S.Ct. 1817, 48 L.Ed.2d 346 (1976); *Nordyke* v. *Santa Clara County*, 110 F.3d 707, 710 (9th Cir. 1997); *Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996).

Amendment concerns. Instead we again let the right of publicity snuff out creativity.

VI

As I noted in *White*, "No California statute, no California court has actually tried to reach this far. It is ironic that it is we who plant this kudzu in the fertile soil of our federal system." 989 F.2d at 1519. We pass up yet another opportunity to root out this weed. Instead, we feed it Miracle-Gro. I dissent.

Copyright Act of 1976 § 301(a), 17 U.S.C. § 301(a) (1994)

Section 301(a) of the Copyright Act of 1976 ("the Copyright Act"), 17 U.S.C. § 301(a) (1994), states as follows:

> "On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State."

Copyright Act of 1976 § 106, 17 U.S.C. § 106 (1994)

Section 106 of the Copyright Act, 17 U.S.C. § 106 (1994), provides in pertinent part that:

> "Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following . . . (2) to prepare derivative works based upon the copyrighted work, ..."

Copyright Act of 1976 § 102(a), 17 U.S.C. § 102(a) (1994)

Section 102(a) of the Copyright Act, 17 U.S.C. § 102(a) (1994), provides in pertinent part that:

> "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories: (1) literary works, . . . (3) dramatic works, . . . (5) pictorial, graphic and sculptural works, (6) motion pictures and other audiovisual works . . . ."

Copyright Act of 1976 § 103(a), 17 U.S.C. § 103(a) (1994)

Section 103(a) of the Copyright Act, 17 U.S.C. § 103(a) (1994), provides that:

> "The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing pre-existing material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully."

U.S. Constitution, art. I, § 8, cl.

The Copyright Clause of the United States Constitution, art. I, § 8, cl. 8, provides in relevant part that:

> "The Congress shall have Power . . . to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . ."

U.S. Constitution, Amendment I

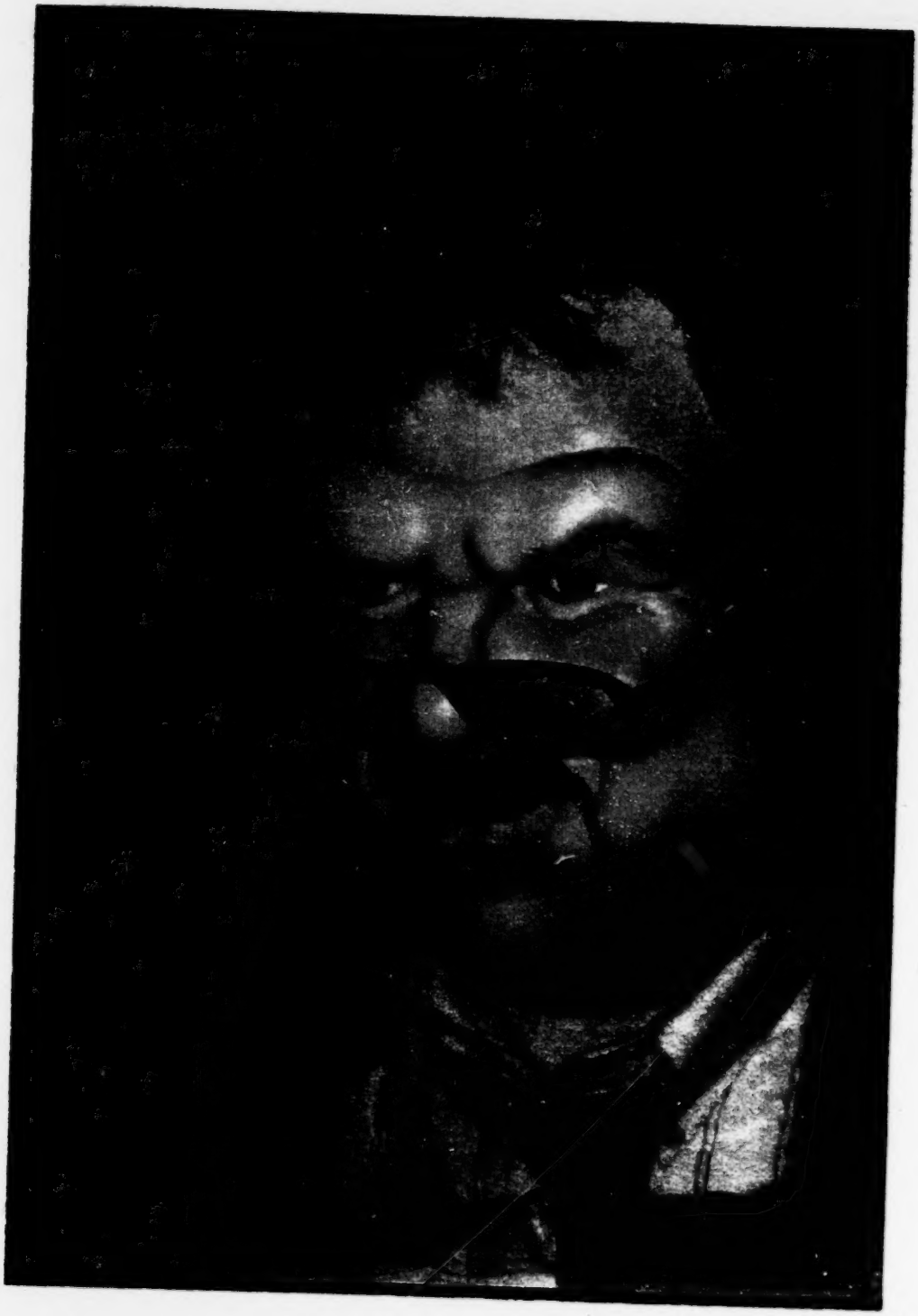
The First Amendment to the United States Constitution provides, in relevant part, that:

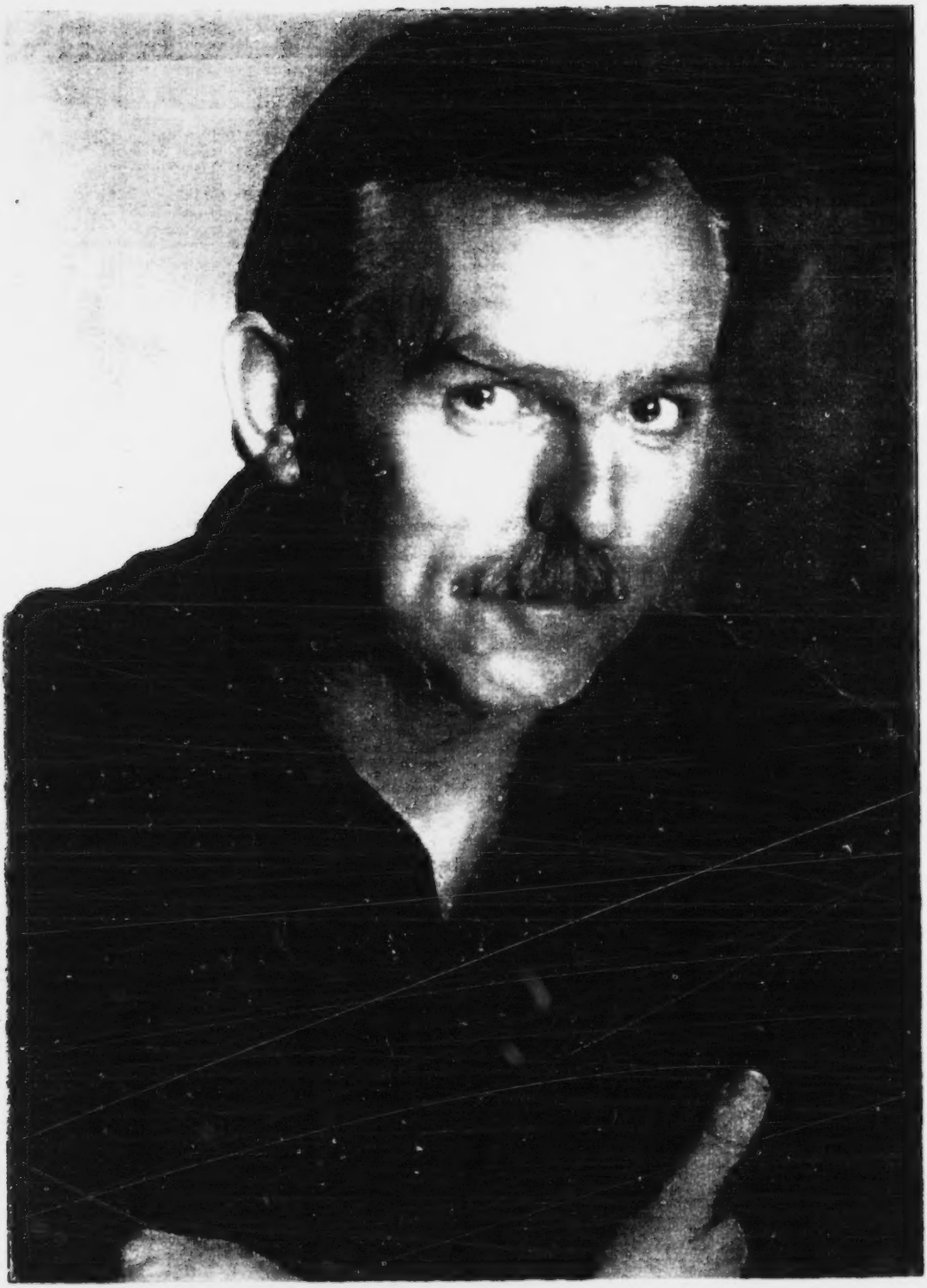
> "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ."

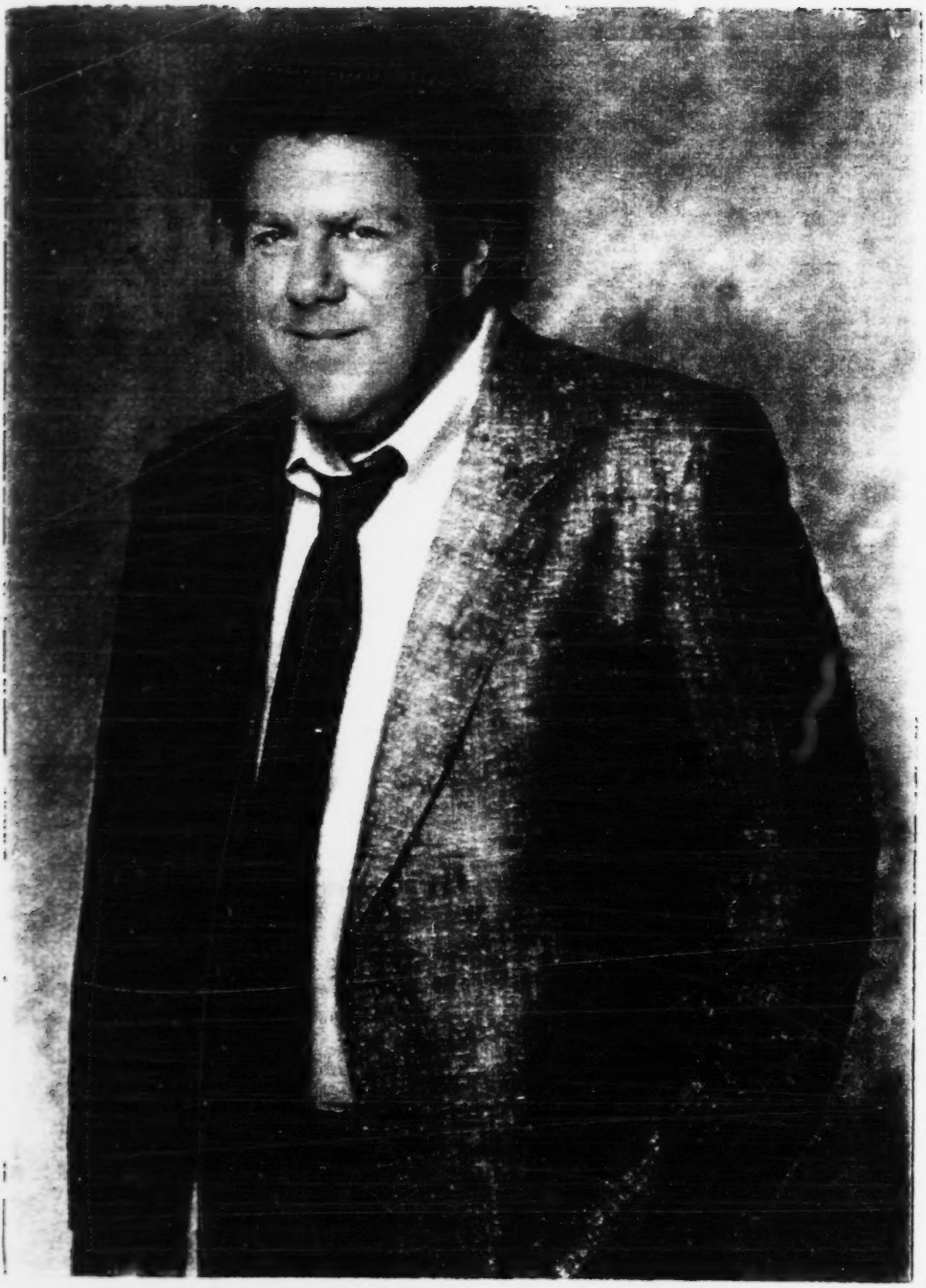
U.S. Constitution, art. VI, cl. 2

The Supremacy Clause of the United States Constitution, art. VI, cl. 2, provides in relevant part that:

> "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."







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No. 99-1567

In The

Supreme Court of the United States

PARAMOUNT PICTURES CORPORATION, a Delaware corporation, and HOST INTERNATIONAL, INC., a Delaware corporation,

Petitioners,

v.

GEORGE WENDT, an individual, and JOHN RATZENBERGER, an individual,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED FOR REVIEW

1. Did the Ninth Circuit Err by Holding that the Copyright Act does Not Categorically Preempt State Right of Publicity Claims?

2. Did the Ninth Circuit Err by Remanding the Disputed Factual Issues of "Likeness" under California Civil Code section 3344 and "Likelihood of Confusion" under the Lanham Act for Trial by Jury?

3. Do the Ninth Circuit's Evidentiary Decisions Permitting Respondents to Present Factual Evidence to a Jury, including Survey Evidence and Expert Testimony, Require Review by the Highest Court in the Land?

4. Did the Ninth Circuit Commit Reviewable Error by Ruling on the Specific Factual and Procedural Issues Before It, Rather than Reaching Broad Constitutional Arguments Under the Dormant Copyright Clause and the First Amendment that Petitioners Never Raised in Any Court Below?

RESPONDENTS' RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Supreme Court Rules, Respondents George Wendt and John Ratzenberger inform this Court that they are both natural persons. Neither Respondent is owned by any parent corporation or by any publicly held or traded company.

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OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

I. No "Compelling Reason" Justifies the U.S. Supreme Court's Review of an Interlocutory Appeal from a Fact-Intensive State Law Dispute

Although Petitioners relegate this point to the last footnote on the last page of their brief, the fact remains that this is an interlocutory appeal from a hotly contested fact-intensive state law dispute that has never yet been presented to a jury. This diversity case involves five state law claims, a fact-specific Lanham Act issue (over which states have concurrent jurisdiction), and no federal questions. Far from putting state rights on a "collision course" with federal copyright law, the Ninth Circuit did not expound on the scope of California's rights of publicity at all. The court merely held that the numerous factual disputes peppering Respondents' state law and Lanham Act claims should not have been resolved on summary judgment. The Ninth Circuit did *not* hold that Respondents did or would prevail on their Lanham Act and state law claims. Thus, at this point, there is no substantive legal decision for this Court to review.

In its present posture, this case is factually undeveloped and classically unripe for Supreme Court review.[1] Further proceedings may well affect or eliminate the preemption question Petitioners raise. Even if this Court were to decide that Respondents' state publicity claims were preempted, that would still leave four other

---

[1] See *Anderson v. Green*, 513 U.S. 557 (1995) (dismissing *certiorari* because "the case in its current posture is unripe"); *Abbot Labs v. Gardner*, 387 U.S. 136, 148-49 (1967) (this Court's ripeness test considers: (1) the fitness of the issue and record for judicial review; and (2) hardship to parties if review is denied). "Hardship" means forfeiting a legal right or facing criminal liability, neither of which Petitioners will suffer here. Facing a civil jury after avoiding trial for seven years is not a legally cognizable hardship that warrants Supreme Court review.

claims for trial by jury. Because no decision by this Court at this time would resolve all the issues between the parties or dispose of this entire case, any preemption decision this Court might issue would be merely advisory.

Finally, the personal rights Respondents are trying to protect do not arise from or conflict with whatever rights Paramount may have in the fictional characters on *Cheers*. In fact, for the last ten years Paramount has vehemently denied that Host's robots fall under Paramount's copyright or Host's limited merchandising license. Host has changed its robots' names to sever any lingering connection to the characters on Paramount's show. Therefore, the purported conflict between copyright law and state rights of publicity that so perturbs Petitioners is entirely hypothetical.

A. This Case is Peppered with Unresolved Issues of Fact.

In contravention of U.S. Supreme Court Rule 14.1(g), Petitioners fail to apprise this Court of the numerous factual issues peppering this case. For instance, Petitioners neglect to mention that from the beginning of their license negotiations in 1989 (for Host to design airport bars modeled on the concept of the staged bar on *Cheers*), Host wanted to put moving robots of the characters "Norm" and "Cliff" in its bars, while Paramount opposed Host's effort and insisted that *Paramount's copyright in Cheers did not extend to robots* modeled on Messrs. Wendt's and Ratzenberger's personal likenesses. Before executing the limited merchandising license in 1990, Paramount "instructed [Host] that no actor's likeness could be used" without that actor's personal approval. ER 104 at p.73.[2]

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[2] "ER" refers to the Excerpts of Record filed with the Ninth Circuit on the second appeal in this case ("*Wendt II*," 1997).

Messrs. Wendt and Ratzenberger absolutely refused to authorize Host's robots. Dispensing with such details as authorization and compensation, Host gave *photographs* of Respondents to the robots' manufacturer and instructed him to create robots molded to Messrs. Wendt's and Ratzenberger's *"exact likeness."* ER 104 at 20-21, 80. For the next three years, Paramount insisted that Hosts robots were not covered by Paramount's copyright or Host's limited license:

- Before Host manufactured the robots, Paramount's in-house counsel warned Host that "as you know, our [licensing] Agreement does not permit the use of the actors' names or likenesses without their individual consent." ER 104 at 35 (7/24/90).
- One month later, Paramount assured Mr. Ratzenberger's agent that it had "advised Host that it must approach Messrs. Ratzenberger and Wendt individually and seek their consent for the construction of these devices and their use within the bar locations." ER 104 at 37 (8/24/90).
- Mr. Ratzenberger was so opposed to Host manufacturing a robot modeled on him, that he demanded that Paramount amend his contract to expressly provide that no such robots could be made without his consent. In response, Paramount assured Mr. Ratzenberger that since Host's "proposed use was not within a grant of Paramount's merchandising rights, there is no need to change [our] Agreement to prohibit such a use, for which we acknowledge [your] permission would have been necessary." ER 104 at 40 (8/27/90).
- Paramount then *again* warned Host that "whether you create life-like reproductions or caricature reproductions of the characters, you would be required to obtain both George

Wendt's and John Ratzenberger's consent." ER 104 at 41 (9/27/90).

* On October 4, 1990, Paramount's legal department viewed a videotape of Host's robots, and immediately informed Host that "the use of these figures, regardless of the caricature nature and the synthesized voices is *not permitted* without the prior written consent of John Ratzenberger and George Wendt. *On a purely legal basis, we believe that the case law in the Ninth Circuit . . . clearly dictates* the instructions that we have given you." ER 104 at 45 (10/5/90).

* In light of Paramount's formal legal opinion, Host admitted that it needed to get Respondents' personal consents to the robots, and sought "Paramount's influence to persuade them to participate, as we see this as a major drawing card of the *Cheers* concept." ER 104 at 46 (10/17/90). Paramount failed to secure Respondents' approval.

* Host then wrote to the actors' agents, admitting that Messrs. Wendt and Ratzenberger each "has an interest in any commercial use of his likeness, including his portrayal" in the robots, and offering the actors an annual license fee. ER 104 at 52-55 (10/30/90). Thus, Host admitted that the robots sufficiently captured the Respondents' personal "likeness" to require each Respondent's consent.

* Even after Host installed the robots, Paramount continued to insist that Host remove the robots from its bars or change them dramatically. ER 104 at 74. However, for Host, it was Messrs. Wendt's and Ratzenberger's personal likenesses – not Paramount's characters – that had commercial value. Therefore, Host agreed to sever the connection to

Cheers and changed the robots' names (calling Cliff "Hank" and Norm "Bob"), but refused to alter the robots' physical appearances. In other words, Host distinguished its "Bob" robot from the character "Norm," but not from Respondent George Wendt. Host told Paramount that Host "would take whatever risk would be associated with that decision." ER 104 at 76.

* As late as February 26, 1992, Paramount advised Host that in order to put to rest "any legal issues," Host should convert its robots to a neighborhood couple. Host refused. Petition ("Pet.") at 13a. It kept the robots modeled on Respondents' photographs.

* At the end of 1992, then-president of Paramount Television told Messrs. Wendt and Ratzenberger that Host was infringing on their personal rights by continuing to commercially exploit the robots without the actors' consent, and that Respondents should consider suing Host. ER 107; ER 104. Respondents filed this suit shortly thereafter.

As these few facts show – and Respondents have much more factual evidence to present to the jury at the appropriate time – Host knew since 1989 that its robots did *not* fall within Paramount's copyright in the *Cheers* show, and were *not* covered by Host's limited license. Host also knew that Messrs. Wendt and Ratzenberger were categorically opposed to Host using robots based on their personal "likenesses" to sell beer. In fact, Mr. Ratzenberger testified that Host's unauthorized use of his likeness is interfering with his own ability to work on paid commercials. Pet. at 13a-14a. In defiance of the actors' protests and Paramount's legal warnings, Host ordered robots "to be the exact likeness" of George Wendt and John Ratzenberger. As the Ninth Circuit held twice, whether and to what extent Host succeeded in capturing

Respondents' "likenesses" are factual questions for the jury.[3]

Rule 10 of this Court provides that "a petition for *certiorari* will be granted only for compelling reasons." Factual disputes are never "compelling" reasons to grant *certiorari*. "As to such issues, the courts of appeals are generally the courts of last resort."[4] Because no fact-finder has yet resolved the numerous factual issues riddling this dispute, this case is unfit for Supreme Court review.

B. This Case Involves Predominantly State Law Claims.

Besides statutory and common law publicity claims under California law, this case involves state law claims for invasion of privacy, unfair business practices, and unjust enrichment. There are no federal issues in this diversity case, and state courts have concurrent

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[3] By twice remanding this case "for trial," the Ninth Circuit was fulfilling its supervisory responsibility to ensure that district courts do not usurp factual issues away from the jury. The Supreme Court should not interfere with this important circuit court function. Since federal judges are appointed for life and are rarely impeached, appellate decisions are the only effective means of correcting trial judges who exceed their authority. Like this Court's supervisory function under S. Ct. R. 10(a), the Ninth Circuit has supervisory responsibilities over the largest circuit in the nation. When a district judge under its supervision twice ignores its express mandate and usurps the jury's function, it is incumbent upon the Ninth Circuit to correct the abuse.

[4] 23 *Moore's Federal Practice* (Matthew Bender 3d ed. 1997) § 510.41[4][a] [hereinafter, "Moore"]; *NLRB v. Pittsburgh Steamship Co.*, 340 U.S. 498, 503 (1951).

jurisdiction over the fact-intensive Lanham Act dispute.[5] As this Court explained, "We generally accord great deference to the interpretation and application of state law by the courts of appeals." *Pembaur v. City of Cincinnati*, 475 U.S. 469, 484 n.13 (1986); *Regents of Univ. of Mich. v. Ewing*, 474 U.S. 214, 224 n.10 (1985) ("[i]n dealing with issues of state law that enter into judgments of federal courts, we are hesitant to overrule decisions by federal courts skilled in the law of particular states unless their conclusions are . . . unreasonable").[6] There is no compelling need for this Court to interpret the abstract scope of five state law claims before the Ninth Circuit has even issued a substantive legal decision.

C. This Court's Preemption Decision Would be Merely Advisory, because Four Other State Law and Lanham Act Claims would Still Proceed to Jury Trial.

Even if this Court were to hold that federal copyright law preempts Respondents' publicity claims, this ruling would not dispose of the case. Four other claims would remain: state law claims for unfair business practices, invasion of privacy, unjust enrichment, and false endorsement under the Lanham Act. Respondents have not yet had the opportunity to present any factual evidence to

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[5] *Duggan's Funeral Service, Inc. v. Duggan's Serra Mortuary, Inc.*, 95 Cal.Rptr. 253, 257 (Cal. App. 2000) (states have concurrent jurisdiction over Lanham Act claims).

[6] *See also Granberry v. Greer*, 481 U.S. 129, 136 n.9 (1987) (deferring to federal circuit's interpretation of state law because that court is more familiar with the practice of states within its circuit). Even if such cases raise federal questions, this Court usually defers to the circuit court's determinations of state law. 22 Moore's § 405.03[2][a]. As *Swift v. Tyson* teaches, this Court cannot compel states to follow its decisions in the area of state common law. 41 U.S. (16 Pet.) 1, 10 L. Ed. 865 (1842).

support their Lanham Act claim, because the trial judge excluded their survey evidence demonstrating actual consumer confusion (Pet. at 12a, 14a) and refused to apply the standard eight-factor "likelihood of confusion" test (Pet. at 10a). The Ninth Circuit has twice held that "because the Lanham Act's 'likelihood of confusion' standard is predominantly factual in nature," Respondents must be permitted to present their factual evidence, survey evidence, and expert testimony to the jury. Pet. at 11a, 14a. Surely this Court will not undertake to resolve the fact-intensive Lanham Act issues on this appeal.

Further, the Lanham Act claim is clearly not preempted, *see Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1106-07 (9th Cir. 1992), *cert. denied*, 506 U.S. 1080 (1993); *Hoffman v. Capital Cities/ABC, Inc.*, 33 F.Supp.2d 867, 874 (C.D. Cal. 1999).[7] Finally, even if both the Lanham Act and publicity claims were preempted, that would still leave three other state law claims, which Petitioners do not even mention. In short, no conceivable decision by this Court at this time would resolve the dispute between the parties or dispose of this entire case. Any preemption decision this Court would reach would be merely advisory. This alone is a compelling reason to deny *certiorari* at this time.[8]

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[7] *See also Nash v. CBS, Inc.*, 704 F.Supp. 823 (N.D. Ill. 1989), *aff'd*, 899 F.2d 1537 (7th Cir. 1990) (Copyright Act does not preempt Lanham Act claims). The one case Petitioners cite to the contrary is clearly inapposite, because it involved formerly copyrighted material that had passed into the public domain. *Comedy III Productions, Inc. v. New Line Cinema*, 200 F.3d 593, 595 (9th Cir. 2000). Until Petitioners prove that Respondents' identities and personal likenesses have entered the "public domain," *Comedy III* is unavailing.

[8] Denying *certiorari* at this premature stage will not impede the Court's ability to address any issues in this case later on a more factually developed record. *See Virginia Military Inst. v. United States*, 508 U.S. 946, 946 (1993) (Scalia, J., denying *certiorari* because "[w]e generally await final judgment in the lower courts before exercising our *certiorari* jurisdiction");

II. There Is No Substantive Legal Decision for the Supreme Court to Review

A. The Ninth Circuit Did Not Decide that Respondents Did or Would Prevail on their State Publicity Claims.

Contrary to Petitioners' shrill claims, far from construing the scope of California's rights of publicity "so broadly as to conflict directly with federal copyright law," the Ninth Circuit did not embark on any abstract interpretation of state publicity rights at all. The Ninth Circuit merely held that, because Respondents' state law and Lanham Act claims raised many disputed issues of fact, the district court should not have resolved that beehive of factual disputes on summary judgment. The Ninth Circuit did not even attempt to construe the substantive scope of either the statutory (Cal. Civ. Code § 3344) or the state common law right of publicity. Instead, the Ninth Circuit expressly left these issues for the jury:

> The degree to which these robots resemble, caricature, or bear an impressionistic resemblance to appellants is . . . clearly material to a claim of violation of Cal. Civ. Code § 3344. . . . ***Without making any judgment about the ultimate similarity of the figures to the appellants, we conclude . . . that material facts exist*** that might cause a reasonable jury to find them sufficiently "like" the appellants to violate Cal. Civ. Code § 3344. Pet. at 5a-6a (emphasis supplied).

Similarly, all the Ninth Circuit held about the common law right of publicity was:

United States v. Virginia, 518 U.S. 515 (1996) (reviewing final judgment in same case). Further, "denial of *certiorari* imparts no implication or inference concerning the Court's view of the merits." *Hughes Tool Co. v. Trans World Airlines, Inc.*, 409 U.S. 363, 366 n.1 (1973).

> Appellants have raised genuine issues of material fact concerning the degree to which the figures look like them. . . . The *ultimate issue for the jury* to decide is whether the defendants are commercially exploiting the likeness of the figures to Wendt and Ratzenberger intending to engender profits to their enterprises. Pet. at 9a.

As these rulings show, it is not the Ninth Circuit's interpretation of state publicity rights that is overblown, but Petitioners' exaggerated rendition of its modest holding.

B. Petitioners Never Established that Host's Robots are Protectable Derivative Works.

Paramount has consistently denied that Host's robots fall under Paramount's copyright in *Cheers*, and Host has yet to establish that its robots are copyrightable derivative works at all. Despite Petitioners' attempts to sweep these unresolved legal issues under the carpet, no court has yet determined that (1) the characters Norm and Cliff are copyrightable; (2) Paramount owns the exclusive rights to those characters; or that (3) Host's robots are protectable derivative works. None of these issues is beyond dispute. For instance, Dashiell Hammett's character "Sam Spade" was held too general a "type" to be copyrighted. *Warner Bros. Pictures, Inc. v. Columbia Broadcasting Sys., Inc.*, 216 F.2d 945 (9th Cir. 1954), *cert. denied*, 348 U.S. 971 (1955). If the original hard-boiled detective is uncopyrightable, it is by no means clear that an overweight accountant can be.[9]

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[9] Although the Court need not address this issue now, Respondents never conceded that Paramount owns the exclusive rights to the characters Norm and Cliff. Under California's "merger" doctrine, an actor can acquire a proprietary interest in a character he has played for years. *See Lugosi v. Universal Pictures*, 25 Cal.3d 813, 825 (1979); *Supreme Records v. Decca Records*, 90 F.Supp. 904 (S.D. Cal. 1950); *see also McFarland v. Miller*, 14 F.3d 912, 920 (3d Cir. 1994) (accord).

Also, whatever rights Paramount may have in the *Cheers* characters, it certainly has no rights to Mr. Wendt's or Mr. Ratzenberger's personal likenesses. Paramount cannot grant Host a license for what Paramount itself does not own. That is why for the last ten years Paramount has strenuously denied that Host's robots fall under the *Cheers* copyright or Host's limited merchandising license. To avoid legal complications with Paramount, Host abandoned the *Cheers* characters Norm and Cliff and renamed its robots "Hank" and "Bob." Host thereby undermined its own derivative works argument, and brought itself into direct conflict with Messrs. Wendt's and Ratzenberger's unequivocal rights to their own likenesses.

Even if Host's robots were derivative works, that is no guarantee of immunity. The copyright holder's right to create derivative works may be exclusive, but it is certainly not absolute.[10] Nor is the copyright protection in the resulting derivative work automatic or absolute. "Copyright is not a federally guaranteed 'right' to [unsettled] use [of] the copyrighted material." To the contrary, "ownership of copyright is not even immunity from copyright infringement, let alone infringement of other rights." J.T. McCarthy, *Rights of Privacy and Publicity* § 11.14[c] (1987) [hereinafter, "McCarthy"]. In short, even if Host's robots were copyrightable derivative works – which no court has yet held – that would not destroy Respondents' state publicity claims.

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[10] *See* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §§ 3.04, 8.09[A] (2000) [hereinafter "Nimmer"].

III. Because Federal and State Courts Uniformly Hold that Federal Copyright Law Does Not Preempt State Rights of Publicity, There is No Real Conflict that Warrants Supreme Court Review

The only way the Ninth Circuit's modest holding (requiring the numerous factual disputes to go to a jury) could be wrong is if state publicity claims were categorically preempted as a matter of law. No decision has ever held that federal copyright law automatically preempts state rights of privacy, personality, or publicity. Thus, there is no conflict with federal or California state law that requires the intervention of the highest court in the land.

A. The Ninth Circuit Correctly Applied the Standard Copyright Preemption Test under 17 U.S.C. § 301(a).

The Ninth Circuit in this case applied the standard preemption test under 17 U.S.C. § 301(a), pursuant to which only those rights are preempted that are "equivalent to any of the exclusive rights within the general scope of copyright as specified by Section 106." This involves a two-part inquiry: (1) is the item plaintiffs are trying to protect "within the general scope of copyright?" (that is, is it an original "work of authorship"); and (2) is the state law right "equivalent" to copyright, that is, is the right infringed by the mere act of reproduction, performance, distribution or display?[11] The Ninth Circuit correctly held that Respondents' publicity claims here survive both prongs of this standard preemption analysis.

First, the item Messrs. Wendt and Ratzenberger are trying to protect in this case is not a particular picture or representation, but their own personas and identities as

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[11] 1 Nimmer, § 1.01[B][1]; *Hoffman v. Capital Cities/ABC*, 33 F.Supp.2d 867, 871 (C.D. Cal. 1999); *KNB Enterprises v. Matthews*, 78 Cal.App.4th 362, 369 (Cal. App. 2000).

human beings. As every case that considered the issue has held, a human identity is not copyrightable subject matter, and an individual's personality is not a "work fixed in a tangible means of expression." *KNB Enterprises v. Matthews*, 78 Cal.App.4th 362, 365 (Cal.App. 2000); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir. 1992); *Midler v. Ford Motor Co.*, 849 F.2d 460, 462-63 (9th Cir. 1988); *Hoffman v. Capital Cities/ABC, Inc.*, 33 F.Supp.2d 867, 871 (C.D. Cal. 1999); *Brown v. Ames*, 201 F.3d 654, 656 (5th Cir. 2000) [all discussed *infra*]. Since Messrs. Wendt's and Ratzenberger's identities and "likenesses" are not copyrightable subject matter, their state law claims are not preempted under 17 U.S.C. § 301.

Second, the right Respondents are seeking to protect – their right to control the commercial exploitation of their own identities – is not "equivalent" to any of the exclusive rights under the Copyright Act. As Professor Nimmer explains, "a right that is 'equivalent to copyright' is one that is infringed by the ***mere act*** of reproduction, performance, distribution, or display." 1 Nimmer, § 1.01[B][1] at 12. In other words:

> [I]f under state law the act of reproduction, performance, distribution, or display . . . will *in itself* infringe the state-created right, then such right is pre-empted. But if qualitatively other elements are required, instead of, or in addition to, the acts of reproduction, performance, distribution, or display, in order to constitute a state-created cause of action, then the right does not lie "within the general scope of copyright," and there is no preemption. *Id.* at 13 (emphasis in original).

Professor Nimmer specifically explains that state publicity claims like those Respondents assert here are *not* preempted because the "work" protected under state laws of privacy and publicity does not fall within the subject matter of copyright:

> The "work" that is the subject of the right of publicity is the persona, *i.e.*, the name and likeness of a celebrity or other individual (citing directly to Cal. Civil Code § 3344). A persona can hardly be said to constitute a "writing" of an "author" within the meaning of the Copyright Clause of the Constitution. *A fortiori*, it is not a "work of authorship" under the Act. Such name and likeness do not become a work of authorship simply because they are embodied in a copyrightable work. . . .
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> **Because the content of the protected right does not fall within the subject matter of copyright, there is no categorical preemption of the general right of publicity**. 1 Nimmer § 1.01[B][1][c] at 23-24 (emphasis supplied).

Countless cases have followed Professor Nimmer's formulation of the "copyright equivalency" test. The Ninth Circuit's application of this standard preemption test here is utterly unexceptional, and does not require Supreme Court review.[12]

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[12] In contrast, the unprecedented test that Petitioners concoct is circular and unworkable. Petitioners urge this Court to find preemption whenever "the work alleged to have violated the right of publicity . . . [falls] within the scope of copyright." Pet. at 10. Petitioner's "test" has several fatal defects. *First*, this is not the test the federal legislature prescribed in 17 U.S.C. § 301(a). The statutory test requires asking whether the item plaintiffs are trying to protect falls within the subject matter of copyright, not whether defendant's offending work is copyrighted. *Second*, just because a work is copyrighted does not automatically guarantee it immunity from legal challenge. "Ownership of copyright is not even immunity from copyright infringement, let alone infringement of other rights." McCarthy § 11.14[c]. *Third*, if the offending work is not copyrightable, the issue of preemption would not arise at all. If the mere fact that defendant's work was copyrighted put an end to the preemption analysis, Petitioners' "test" would always and

B. The Ninth Circuit's Decision is Based on a Long, Firmly Established Line of Directly Controlling Precedent.

Petitioners neglect to mention that California's most recent decision on the preemption issue just held that "because a ***human likeness is not copyrightable***, even if captured in a copyrighted [medium – in that case, a photograph, plaintiffs'] section 3344 claims against the unauthorized publisher of their photographs are **not** the equivalent of a copyright infringement claim and are **not preempted** by federal copyright law." *KNB Enterprises v. Matthews*, 78 Cal.App.4th 362, 365 (Cal. App. 2000). It is startling that rather than apprise this Court of the most recent state authority on the specific preemption issue on which they seek review, Petitioners relegate *KNB* to a footnote quoting a prior decision which *KNB* expressly limited "to the unique facts of that case." *KNB* at 374 (limiting *Fleet*); *cf.* Pet. at 13 n.5.

As discussed below, *KNB* demolishes Petitioners' contention that the Ninth Circuit misconstrued California state law. However, even without the benefit of this most recent state authority that "a human likeness is not copyrightable," the Ninth Circuit analyzed the preemption issue in strict accordance with every prior decision on this subject. In every prior case, the Ninth Circuit held that federal copyright law does *not* preempt state rights of publicity, and this Court has declined to review each of those decisions.

In *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988), *cert. denied*, 503 U.S. 951 (1992), the Ninth Circuit allowed Bette Midler to maintain a California common law right of publicity claim against Ford for copying Ms. Midler's voice in a car commercial. Ford did not use Ms.

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inevitably lead to the result of federal preemption. This is no "test" at all, but a rhetorical word game that collapses into its own assumed conclusion.

Midler's name, picture, or actual voice, and Ms. Midler did not own the copyright to the song used in Ford's commercial. *Id.* at 462. Nonetheless, the Ninth Circuit held that Midler's state law claim was *not* preempted because a "voice is not copyrightable. The sounds are not 'fixed.' What is put forward as protectable here is more personal than any work of authorship. . . . To impersonate her voice is to pirate her identity." *Id.* at 462-63. Just as in *Midler*, Petitioners here intentionally pirated Respondents' identities. Because "defendants deliberately imitated [plaintiffs] in order to sell a product, [defendants] have appropriated what is not theirs and have committed a tort in California." *Id.* at 463.[13]

In *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992), *cert. denied*, 506 U.S. 1080 (1993), the Ninth Circuit reaffirmed *Midler* and expressly held that singer Tom Waits' common law publicity claim was "*not* preempted by federal copyright law." *Id.* at 1100. The subject matter of Mr. Waits' claim (unauthorized imitation of his voice to sell Doritos) was "for invasion of a personal property right: his right of publicity to control the use of his identity." This personal property right "does not come within the subject matter of copyright," and contains elements "different in kind from those in a copyright infringement

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[13] Similarly, in *Motschenbacher v. R.J. Reynolds Tobacco Co.*, 498 F.2d 821 (9th Cir. 1974), defendants made a television commercial for Winston cigarettes using a modified photograph of a famous professional race car driver's signature car. Although the car's appearance was altered and the driver's features were not visible in the commercial, some viewers inferred that the car was Mr. Motschenbacher's, and concluded that he must therefore be endorsing defendant's cigarettes. Mr. Motschenbacher did not own the copyright to the photograph R.J. Reynolds used in its commercial any more than Ms. Midler owned the copyright to the song Ford used in its commercial. But in both cases, the Ninth Circuit held that defendants invaded the plaintiffs' "proprietary interest" in their own identities. *Id.* at 825.

case." *Id.* Therefore, the Ninth Circuit held that Mr. Waits' state law claims were not preempted,[14] and this Court denied review.

This Court has also declined review in *White v. Samsung Electronics America, Inc.*, 971 F.2d 1395 (9th Cir. 1992), *cert. denied*, 508 U.S. 951 (1993), and that is really the crux of Petitioners' complaint now. Petitioners cannot use this case to re-petition for review in *White*. Further, in order to create the impression of impending cataclysm, Petitioners exaggerate the Ninth Circuit's holdings in both *Wendt II* and *White*. Reviewing the Ninth Circuit's actual rulings, rather than Petitioner's overblown distortions, shows that all the Ninth Circuit did in both cases is refuse to let a trial judge usurp the jury's function by resolving disputed issues of fact on summary judgment.

In *White*, the Ninth Circuit *rejected* Vanna White's California Civil Code section 3344 claim against Samsung for making a commercial using a robot caricaturing Ms. White's role on *Wheel of Fortune*. That decision did not address the preemption issue at all. All the Ninth Circuit held in *White* was: (1) a common law right of publicity claim is broader than a statutory claim under Civ. C. § 3344 (971 F.2d at 1397-98); and (2) because Ms. White raised genuine issues of material fact, her Lanham Act and common law publicity claims should not have been dismissed on summary judgment (971 F.2d at 1399, 1401). This is hardly the "breathtakingly expansive view of the right of publicity" that Petitioners claim.[15] Pet. at 18.

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[14] The Ninth Circuit also upheld Mr. Waits' false endorsement claim under the Lanham Act (978 F.2d at 1106-07), which Respondents here have also asserted and which Petitioners ignore.

[15] Petitioners try to use this case to challenge what they call *White*'s "evocation standard." Petitioners claim that *White* "hold[s] that the right of publicity may be violated in all instances where a celebrity's identity is evoked." Pet. at 18. That exaggeration could not be farther from *White*'s actual holding.

As in this case, the Ninth Circuit in *White* did *not* undertake an exposition of the outer boundaries of California's state publicity law, and did *not* hold that Ms. White did or would succeed on her common law and Lanham Act claims. In both cases, the Ninth Circuit held only that plaintiffs presented genuine issues of material fact that could not be resolved on summary judgment. Just as this Court denied review of *White*'s unexceptional holding, the Court should deny review of the exact same rulings here.

C. The Ninth Circuit's Preemption Analysis Conforms with Decisions Across the Nation.

Far from being a renegade decision subverting federal law and unleashing chaos, the Ninth Circuit's ruling in *Wendt II* conforms with state and federal decisions across the land. Just a few months ago, the Fifth Circuit squarely held that the right of publicity under Texas law was *not* preempted: "**Because a person's name and likeness in themselves are not copyrightable**, and because the state law tort of misappropriation does not conflict with federal copyright law, appellees' claims are not preempted." *Brown v. Ames*, 201 F.3d 654, 656 (5th Cir. 2000). Specifically, the Fifth Circuit found that the subject matter

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Far from establishing any such broad "evocation" standard, the Ninth Circuit did not even hold that Ms. White would prevail on her publicity claim in that particular case. *White* simply held that the factual disputes in that case should not have been resolved on summary judgment. *Id.* at 1399, 1401. *White* did not interpret state publicity law in the abstract, and declined to set in stone "a laundry list of specific means of appropriating identity," because "[a] rule which says that the right of publicity can be infringed only through the use of nine different methods of appropriating identity merely challenges the clever advertising strategist to come up with the tenth." 971 F.2d at 1398. That narrow ruling is a far cry from holding that "anything that evokes identity" invades the right to publicity. *Cf.* Pet. at 18 and n.9; 21.

of plaintiffs' claims – their right to control the commercial use and exploitation of their own identities – did not fit within the subject matter of federal copyright law. Accordingly, plaintiffs' claim survived preemption analysis under 17 U.S.C. § 301(a). *Id.* at 657-58. As the Fifth Circuit explained, "the tort of misappropriation of name or likeness protects a person's persona. ***A persona does not fall within the subject matter of copyright*** – it does not consist of a 'writing' of an 'author' within the meaning of the Copyright Clause of the Constitution." *Id.* at 658 (quoting a string of authority discussed below).[16]

Every other case that has addressed this issue concurs with the Ninth and Fifth Circuits that copyright law ordinarily does not preempt state rights of publicity or personality. *See, e.g.*:

1. *Prima v. Darden Restaurants, Inc.*, 78 F.Supp.2d 337, 351-53 (D.N.J. 2000): Copyright Act does *not* preempt plaintiff's common law right of publicity.
2. *Hoffman v. Capital Cities/ABC, Inc.*, 33 F.Supp.2d 867 (C.D.Cal. 1999): Copyright Act does *not* pre-empt California's statutory right of publicity (Civil Code § 3344), so plaintiff Dustin Hoffman could state a claim against ABC for manipulating a photograph from the motion picture "Tootsie" (to which Columbia Pictures, not Hoffman, owned the copyright) and placing it, without Hoffman's authorization, in ABC's L.A. Magazine. Hoffman's "right to protect the use of

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[16] The Fifth Circuit further held that plaintiffs' "names and likenesses do not become copyrightable simply because they are used to identify the source of a copyrighted work." *Brown* at 658. Therefore, even if Host's robots fell within Paramount's copyright – which Paramount has vehemently denied for the last ten years – that would still not destroy Respondents' publicity claims, just as it did not in *Brown*, *White*, or *Motschenbacher*. *See* Section II.B, *supra*.

his own name and image is separate from the copyrighted interest of Columbia in the motion picture Tootsie." *Id.* at 871. Further: "What Mr. Hoffman seeks to protect – his name, face and persona – are not 'writings' or 'works of authorship' that come within the subject matter of copyright. Moreover, the rights that Mr. Hoffman seeks to protect are not 'equivalent' to the rights protected by the Copyright Act. The claims asserted by Mr. Hoffman involve extra elements that are different in kind from those in a copyright infringement case." *Id.* at 875. "Plaintiff's own likeness and name cannot seriously be argued to constitute a 'work of authorship' within the meaning of 17 U.S.C. § 102. Thus, copyright preemption does not apply." *Id.* at 871.

3. *ASA Music Prods. v. Thomsun Electronics*, 49 U.S.P.Q.2d 1545, 1556 n.5 (S.D.N.Y. 1998): "a publicity claim is *not* preempted pursuant to 17 U.S.C. § 301."
4. *Michaels v. Internet Entertainment Group, Inc.*, 5 F.Supp.2d 823, 837 (C.D. Cal. 1998): state right of publicity claims are *not* preempted when the violation consists of more than merely copying a copyrighted work.
5. *Shamsky v. Garan, Inc.*, 632 N.Y.S.2d 930 (Sup.Ct., N.Y. County 1995): Copyright Act does *not* preempt baseball players' state law claim that unauthorized use of team photograph on clothing violated players' statutory right to publicity. "A right to publicity – to the commercial exploitation of one's identity – appears qualitatively different from copyright." *Id.* at 935. *Shamsky* expressly distinguished *Baltimore Orioles* on the ground that "a right of publicity in a particular performance is distinguishable

from a right to commercial exploitation of one's own identity." *Id.* at 936.

6. *Jarvis v. A&M Records*, 827 F.Supp. 282, 297 (D.N.J. 1993): Copyright Act does *not* pre-empt New Jersey state law against appropriating another's "voice or likeness."
7. *James v. Delilah Films, Inc.*, 544 N.Y.S.2d 447 (Sup.Ct., N.Y. County 1989): Copyright Act does *not* pre-empt state law actions "pertaining to invasion of privacy."
8. *Ippolito v. Ono-Lennon*, 526 N.Y.S.2d 877, 882-83 (Sup.Ct., N.Y. County 1988): *no* federal preemption of New York statutory right of publicity (Civil Rights Law § 51) claim for unauthorized commercial release of band's prior performance.
9. *Bi-Rite Enterprises, Inc. v. Button Master*, 555 F.Supp. 1188, 1201 (S.D.N.Y. 1983): "The right of publicity . . . grants plaintiffs relief where none exists under federal law. Federal preemption poses no bar to such relief. The intangible proprietary interest protected by the right of publicity simply does not constitute a writing, and therefore falls outside of the preemption standards established by Congress in the copyright law."
10. *Allied Artists Pictures Corp. v. Rhodes*, 496 F.Supp. 408, 444 (S.D. Ohio 1980), *aff'd*, 679 F.2d 656, 662-63 (6th Cir. 1982): *no* preemption of state laws of privacy or defamation.

Petitioners do not address, acknowledge, or even cite, a single one of these cases.[17] Instead, they point to two cases, *Baltimore Orioles* and *Fleet*, which are readily distinguishable.

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[17] For additional cases, *see* 1 Nimmer § 1.01[B][1][c]; McCarthy § 5.5[B][5].

1. There is No "Direct Conflict" Between *Wendt II* and the Seventh Circuit's Decision in *Baltimore Orioles*.

First, the Ninth Circuit is not obliged to follow a 14-year old Seventh Circuit decision construing another state's law. Next, the Supreme Court need not address every conceivable conflict that may arise between different circuits' cases. This Court consistently declines to resolve a conflict among the circuits when it can decide a controversy before it on other grounds. *See, e.g., Braxton v. United States*, 500 U.S. 344 (1991). To qualify for Supreme Court review, the conflict must be immediate and direct, and must involve an "important" federal question. Since these conditions are not satisfied here, even if the Ninth Circuit's decision conflicted with *Baltimore Orioles*, that would not compel Supreme Court review. However, there is no real conflict between the two circuit decisions at all.

Baltimore Orioles v. Major League Baseball Players Ass'n, 805 F.2d 663 (7th Cir. 1986), *cert. denied*, 480 U.S. 941 (1987), held that baseball players could not prevent their employer baseball clubs from broadcasting baseball games to which the clubs owned the copyright. That decision neither conflicts with *Wendt II*, nor is it factually comparable. All the baseball players were trying to do in *Baltimore Orioles* was to prevent the copyright holders from displaying their copyrighted performances. Because the Orioles claimed that displaying the copyrighted work *itself* infringed their state rights, they triggered the classic form of federal preemption under 17 U.S.C. § 301(a). *See* Nimmer § 1.01[B][1] at 12-13, and Section III.A, *supra*. In contrast, Respondents here are *not* challenging Paramount's copyright in *Cheers*, and are *not* trying to control Paramount's display of any *Cheers* episodes. Also, Paramount has repeatedly denied that Host's robots fall under Paramount's copyright, and Host has changed its robots' names to distinguish them from any *Cheers* characters.

An even more critical distinction between *Wendt II* and *Baltimore Orioles* is that the Seventh Circuit decision was premised on the "work-for-hire" doctrine under 17 U.S.C. § 201(b), under which the employer owns the copyrights to works he paid employees to create. The fact that defendant baseball clubs paid the plaintiffs millions of dollars to play baseball was crucial to the Seventh Circuit's reasoning, and that court spent many pages on the work-for-hire doctrine before addressing any preemption issues. *See* 805 F.2d at 667-673. Presumably, the defendant employers paid the players in order to collect money from showing the resulting games. It would be Orwellian to let the players collect their handsome salaries, and then unilaterally prevent their employers from gaining any benefit from the bargain. In sharp contrast, neither Paramount nor Host have paid Respondents a penny for appropriating their identities to sell beer in airport bars.

While *Baltimore Orioles* refused to let the plaintiff players collect their salaries and then trump their employers' copyright in the resulting product, the Seventh Circuit recognized that "[a] player's right of publicity in his name or likeness would *not* be preempted if a company, without the consent of the player, used the player's name to advertise its product." *Id.* at 676 n.24. The Seventh Circuit merely held that "a right of publicity in a performance that has been reduced to tangible form is subject to preemption." *Id.* at 677-78 & n.26. Since Host's robots are not a "performance" by Messrs. Wendt and Ratzenberger, and since Respondents are not challenging Paramount's copyright in *Cheers*, *Baltimore Orioles* is simply inapposite.[18]

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[18] Lest the Court think that *Baltimore Orioles* signals a brave new world in the area of federal preemption, that decision has been heavily criticized by cases and commentators alike. Professor Nimmer issues a brutal criticism of the Seventh Circuit's premise that a baseball game becomes a "protectable

2. The Ninth Circuit's Decision Does Not Conflict with California State Law.

The United States Supreme Court is not the national expounder of state law, and avoids entangling itself in state law disputes. "The Supreme Court gives great weight to the circuit court's determination of local law. Accordingly, a conflict between a decision of the federal court of appeals and applicable state or local law seldom motivates the Court to grant *certiorari*."[19] This Court only provides review for a federal circuit case that "has decided an important federal question in a way that conflicts with a decision by a state court of last resort." Sup. Ct. R. 10(a). Petitioners here fail to point to any California Supreme Court decision on any "important federal question" with which the Ninth Circuit's decision in *Wendt II* conflicts. In fact, the only California Supreme Court opinion to address the relationship between state rights of publicity and federal copyright law concluded that state rights would *not* be preempted.[20]

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work of authorship" simply because someone records it on videotape. Nimmer, §§ 1.01[B][1][c] at 24 and 2.09[F]. Professor Nimmer also ridicules the case for ignoring every prior decision in the area of federal preemption. *Id. See also Brown*, 201 F.3d at 659 (distinguishing *Baltimore Orioles* and noting that it has been "heavily criticized"); *Fleet v. CBS*, 50 Cal. App. 4th 1911, 1922-23 (Cal. App. 1996) (noting extensive criticism of *Baltimore Orioles* and concluding that "the case is of limited value"); Shelley Ross Saxer, *Baltimore Orioles, Inc. v. Major League Baseball Players Association: The Right of Publicity in Game Performances and Federal Copyright Preemption*, 36 U.C.L.A. L.Rev. 861, 870 (1989); David E. Shipley, *Three Strikes and They're Out at the Old Ball Game: Preemption of Performers' Rights of Publicity under the Copyright Act of 1976*, 20 Ariz. St. L.J. 369, 384-88 (1988).

[19] 23 Moore §§ 510.23[3][c]; *see also* Section I.B, *supra*.

[20] *See Lugosi v. Universal Pictures*, 25 Cal.3d 813, 848 (1979) (Bird, C.J., dissenting, preemption issue not reached by majority): "The intangible proprietary interest protected by the

Just three months ago, the same California appellate court that decided *Fleet* revisited the interface between copyright law and state rights of publicity, and squarely held that "because a ***human likeness is not copyrightable***, even if captured in a copyrighted photograph, [plaintiffs'] section 3344 claims against the unauthorized publisher of their photographs are ***not*** the equivalent of a copyright infringement claim and are ***not*** **preempted** by federal copyright law." *KNB v. Matthews*, 78 Cal.App.4th at 365 (2000). KNB expressly "limit[s] *Fleet*'s broad language regarding preemption of the actors' section 3344 claims to the unique facts of that case." *KNB* at 374. Although this is California's most recent authority on preemption, Petitioners relegate *KNB* to a footnote quoting the very case it superceded. Pet. at 13 n.5.

In *KNB*, the plaintiff sued under Cal. Civ. C. § 3344 for defendant's unauthorized display of erotic photographs to which plaintiff held the copyrights. The court recognized that "[t]here can be no dispute that photographs are copyrightable," and "[i]t is also undisputed that the unauthorized commercial display of the copyrighted photographs on defendant's website constituted an infringement of plaintiff's exclusive [copyright]." *Id.* at 364. Nonetheless, the California court concluded that plaintiffs' statutory publicity claim was *not* preempted, because a human likeness is *per se* uncopyrightable. *Id.* at 365. Thus, *KNB* incontrovertibly proves that a California state court would agree with the Ninth Circuit that federal copyright law does *not* preempt Respondents' state publicity claims in this case.

So much for Petitioners' argument that the Ninth Circuit's decision "conflicts directly" with California state

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right of publicity simply does not constitute a writing. . . . Thus, congressional action has not preempted the recognition of common law protection for the right of publicity."

law. Incidentally, even the one superceded case Petitioners cite is not in conflict. In *Fleet v. CBS, Inc.*, 50 Cal. App. 4th 1911 (Cal. App. 1996), the plaintiffs were actors in a copyrighted film who were never paid, and who claimed that displaying the copyrighted work itself (the movie) infringed their state right of publicity. *Fleet* repeatedly stressed that it addressed "a ***very narrow*** issue: whether an actor may bring a [Cal. Civ. C. § 3344 claim] when the ***only*** alleged exploitation occurred through the distribution [of the copyrighted movie]." *Id.* at 1913. Because plaintiffs claimed that showing the copyright work *itself* infringed their state rights, the *Fleet* court concluded that in those narrow circumstances, the plaintiffs' state rights were preempted.

In obvious contrast, Respondents here are not challenging Paramount's right to display any *Cheers* episodes, and Host's robots do not fall under Paramount's copyright. Therefore, even if *KNB* had not limited *Fleet* to its unique facts, *Fleet* would not compel a different result in this case. Besides, even *Fleet* expressly noted that "as a general proposition section 3344 is intended to protect rights which cannot be copyrighted and that claims made under its provisions are usually not preempted." *Fleet*, 50 Cal.App.4th at 1919.

IV. Petitioners Waived Their Constitutional First Amendment, Conflict Preemption and Dormant Copyright Clause Arguments

A. This Court Should Not Address Constitutional Issues Absent Strict Necessity.

It is a fundamental tenet of this Court's jurisprudence that it will avoid deciding constitutional issues if the case before it may be resolved on other grounds. This Court strives to avoid constitutional issues absent strict necessity, and usually declines to address an issue in broader terms than the precise facts of a particular case before it require. *See Frisby v. Schultz*, 487 U.S. 474, 474-75 (1988)

(statutes will be interpreted to avoid constitutional difficulties); *Rescue Army v. Municipal Court*, 331 U.S. 549, 570-71 (1947) (Supreme Court will avoid constitutional issues absent strict necessity). Because Petitioners have never before raised their dormant copyright clause, conflict preemption, or First Amendment arguments, this Court need not address these constitutional issues for the first time on this appeal.

B. Petitioners' Conflict Preemption and Dormant Copyright Clause Arguments are Waived and Meritless.

Over the past seven years, Petitioners have written a dozen hefty briefs on the preemption issue. Not one of Petitioners' prior submissions to any court at any time ever raised the issues of conflict preemption or the dormant copyright clause. Based on this Court's firmly established precedent that issues raised for the first time in a petition for *certiorari* will be deemed waived, Petitioners' latest theories should not be reviewed. *See Taylor v. Freeland & Kronz*, 503 U.S. 638, 645-46 (1992) ("ordinarily, this Court does not decide questions not raised or resolved" in the lower courts). "As a rule, the Court will not grant *certiorari* to decide an issue that was not raised in the proceedings below – irrespective of its general significance or novelty." *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 194 n.13 (1976) (respondents barred from raising argument under different subsection of same Act, because they had not raised that specific argument below).

In any case, Petitioners' constitutional preemption arguments are easy to dispel. In its leading preemption case in the intellectual property field, this Court explained that "the case for federal preemption is particularly weak where Congress has indicated its awareness of the operation of state law in a field of federal interest, and has nonetheless decided to 'stand by both concepts and to tolerate whatever tension there [is] between

them.' " *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 166-67 (1989); *see also Silkwood v. Kerr-McGee Corp.*, 464 U.S. 238, 256 (1984) (accord). The legislative history of Section 301 expressly addressed state rights of publicity and personality, and concluded that the Copyright Act does *not* preempt them:

> "The evolving common law rights of 'privacy,' 'publicity,' and trade secrets, and the general law of defamation and fraud, would remain **unaffected** as long as the cause of action contained elements, such as invasion of personal rights . . . that are different in kind from copyright infringement." H.R. Rep. No. 94-1476 of the House of Representatives Committee of the Judiciary, 94th Cong., 2d Sess. 132 (September 3, 1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5748.

Thus, not only was Congress aware of the potential tension between federal copyright law and state rights of publicity, but it directly addressed the issue and determined that such state laws do not conflict with the purposes or objectives of the Copyright Act. As the Fifth Circuit held when analyzing the very conflict preemption argument Petitioners advance for the first time now, "Congress was aware of the operation of state law on the rights of privacy and publicity, and indicated its intention that such state law causes of action remain." *Brown*, 201 F.3d at 661. The Ninth Circuit has also rejected the conflict preemption argument in *Waits v. Frito-Lay, Inc.*, 978 F.2d at 1099-1110, *cert. denied*, 506 U.S. 1080 (1993), which may explain why Petitioners did not bother to raise the same issue to the Ninth Circuit in this case.

C. Petitioners' First Amendment Argument is Waived and Speculative.

Petitioners never raised any First Amendment issues before the Ninth Circuit on either prior appeal, nor have Petitioners ever established that Host's robots constitute

protected speech. In the seven years this case has traveled the federal courts, none of the parties ever briefed or argued any First Amendment issues. Therefore, Petitioners should not feign surprise that the Ninth Circuit said "not a word about the First Amendment." Pet. at 23. This constitutional argument is *waived*, and as this Court has repeatedly held, it will not consider issues that were neither raised nor resolved in the lower courts. *Taylor*, 503 U.S. at 645-46; *Ernst & Ernst*, 425 U.S. at 194 n.13.

Also, because this is an interlocutory appeal with no substantive decision to review, the First Amendment worries that Petitioners have recently discovered are entirely speculative and hypothetical. While the possible First Amendment implications of the outer reaches of personal publicity rights undoubtedly present very interesting topics for academic inquiry and debate, there is simply no present conflict that requires the intervention of the highest court in the land.

Further, this Court has already upheld a state law protecting the right of publicity against First Amendment challenge. *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 576-77 & n.13 (1977). In *Zacchini*, this Court recognized that while publicity rights were "analogous to the goals of patent and copyright law," states were free to provide additional protection to a person's right of publicity, and upheld Ohio's publicity law against constitutional challenge. Thus, this Court recognized that state laws protecting privacy and publicity were consistent with and could co-exist with federal copyright law and the First Amendment.

The Central District of California has also recently rejected a defendant's First Amendment challenge to Dustin Hoffman's state rights of publicity. *See Hoffman*, 33 F.Supp.2d 867, 875 (C.D. Cal. 1999); *see also, Waits*, 978

F.2d at 1099-1100. *Zacchini*, *Waits*, and *Hoffman* deflate Petitioners' First Amendment argument.[21]

V. Conclusion

Because no compelling reason justifies the Supreme Court's review of an interlocutory ruling in a fact-intensive dispute involving five state law claims, Respondents respectfully request that this Court deny the Petition for a Writ of Certiorari at this time.

Respectfully submitted,

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Dated: June 19, 2000
Los Angeles, California

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[21] Petitioner's citation to *Polydoros* is totally inapposite, because that case merely held that a plaintiff cannot assert defamation and publicity claims against a fictional movie "which does not portray the plaintiff at all" and admittedly caused him no damage. *Polydoros v. Twentieth Century Fox Film Corp.*, 67 Cal.Rptr.2d 305, 310 (Cal. App. 1997). That conclusion does not raise any serious First Amendment problems.

(3)
Supreme Court, U.S.
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No. 99-1567

IN THE

Supreme Court of the United States

PARAMOUNT PICTURES CORPORATION, a Delaware corporation, and HOST INTERNATIONAL, INC., a Delaware corporation,

Petitioners,

—v.—

GEORGE WENDT, an individual, and JOHN RATZENBERGER, an individual,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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ARGUMENT

Respondents George Wendt and John Ratzenberger argue that review should be denied because: (1) a ruling by the Court concerning copyright preemption will not dispose of the entire case; (2) questions of fact and law remain to be decided; (3) Petitioners' arguments concerning conflict preemption, the Dormant Copyright Clause and the First Amendment have been waived; and (4) the decision below is correct. Each of these arguments should be rejected and *certiorari* should be granted.

1. Wendt and Ratzenberger argue that plenary review should be denied because a finding that their right of publicity claims are preempted by federal copyright law would not dispose of the entire case. This is simply untrue. Of itself, a finding of copyright preemption will necessitate a dismissal of Respondents' entire Complaint.

Respondents' Complaint, attached hereto as App. 1a-16a, contains six causes of action: common law right of publicity, statutory right of publicity, invasion of privacy, unjust enrichment and unfair business practices under both California state law and under the Lanham Act. Because the factual predicate underlying each of the state claims is identical—namely, that the 'Hank' and 'Bob' robots were "designed to impersonate, appear as, and otherwise to invoke in the minds of the general public, the images, likenesses, identities and personas of Plaintiffs in the portrayal of their respective roles of 'Norm' and 'Cliff' "—[1] both the district court and the court of appeals below correctly treated all of these claims as identical for preemption purposes and applied a single preemption inquiry.[2] While the preemption inquiry

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[1] App. 4a (Complaint ¶ 16, which is realleged in each cause of action).

[2] *See, e.g.*, Pet. at 26a (court of appeals finding that all of "[p]laintiffs' state law causes of action are not preempted by the operation of federal copyright statutes" but citing only right of publicity case law); *id.* at 34a (district court finding all state claims preempted

in the courts below (and in our Petition) focused on Respondents' right of publicity claims because they constituted the nub of Respondents' case, all of Respondents' state claims—whatever their captions—assert a single right-of-publicity-type allegation and therefore stand or fall together on the issue of copyright preemption.[3]

Respondents' argument that their Lanham Act claim could proceed to trial even if their state law claims were preempted is equally misconceived. While a federal claim under the Lanham Act cannot be "preempted" by federal copyright law, Ninth Circuit case law—like that of other courts—[4] requires the dismissal of a Lanham Act claim that is duplicative of a copyright claim.[5] In *Shaw* v. *Lindheim*, 919 F.2d 1353 (9th Cir. 1990), for example, the Ninth Circuit refused to allow a claim for "reverse passing off" to be stated under the Lanham Act on the ground that the Federal Copyright Act already provided an adequate remedy. *Shaw*, 919 F.2d at 1364-65

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because "[e]ach of plaintiffs' claims is premised on the proposition that the 'Hank' and 'Bob' animatronic figures evoke in the minds of the general public the image of plaintiffs playing their respective fictional roles").

[3] *See* App. 4a, 8a-12a (Complaint ¶¶ 16, 35-60).

[4] *See, e.g.*, *Marvullo* v. *Gruner & Jahr*, No. 98 Civ. 5000 (RLC), 2000 WL 791849, at *6 (S.D.N.Y. June 19, 2000) (Lanham Act claim rejected because it is "impermissibly duplicative of [a] claim for relief under the Copyright Act"); *Goes Lithography Co.* v. *Banta Corp.*, 26 F. Supp. 2d 1042, 1047 (N.D. Ill. 1998) (Lanham Act claim that is "no different in its requisite elements" than a preempted state claim for unfair competition dismissed as duplicative of copyright action); *Markogianis* v. *Burger King Corp.*, No. 95 Civ. 4627 (JFK), 1997 WL 167113, at *6-7 (S.D.N.Y. Apr. 8, 1997) (Lanham Act claim dismissed as mere equivalent of copyright claim).

[5] *See generally* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[D], at 1-66.6 (2000) (recognizing the general rule that "the current Copyright Act does not in any manner repeal or otherwise affect other federal statutes that may in some degree overlap with the Copyright Act," but noting that the Ninth Circuit has provided for an exception to this rule in the context of the Lanham Act) (citing *Shaw* v. *Lindheim*, 919 F.2d 1353 (9th Cir. 1990)).

("We decline to expand the scope of the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy."). Moreover, in *Comedy III Productions, Inc.* v. *New Line Cinema*, 200 F.3d 593, 595 (9th Cir. 2000), the Court held, in refusing to apply the Lanham Act to protect material that had entered into the public domain under copyright law, that "the Lanham Act cannot be used to circumvent copyright law." Respondents' Lanham Act claim—which is functionally equivalent to their state law claims—would have to be dismissed if Respondents' state law claims were found to be preempted.

2. Wendt and Ratzenberger also maintain that review should be denied because this case involves "unresolved issues of fact" that should be decided by the courts below. (Resp. Opp. Br. at 2-6.) But the nearly three pages of "unresolved" facts listed by Respondents are entirely irrelevant to the preemption inquiry presented to this Court. If Respondents' state law claims are preempted by copyright law, then it cannot matter, to take two examples from the list proffered by Respondents, how much the 'Hank' and 'Bob' robots resemble Wendt and Ratzenberger or whether or not Paramount, in an overabundance of caution, advised Host to avoid the prospect of litigation by getting Respondents' consent before putting the robots on display. In the end, this Court need not make a single factual determination in order to determine if the Ninth Circuit erred in entertaining state law claims in violation of federal law.[6]

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[6] Respondents' confusion seems to stem from their erroneous belief that the Ninth Circuit's ruling was limited to a holding that "because Respondents' state law and Lanham Act claims raised many disputed issues of fact, the district court should not have resolved that beehive of factual disputes on summary judgment." Resp. Opp. Br. at 9. This description only acknowledges part of the Ninth Circuit ruling—that which the court of appeals made only *after* ruling that preemption did not apply. The viability of the preemption ruling—contrary to that portion of the opinion focused on exclusively by Respondents—*does* rest on the Ninth Circuit's interpretation of the scope of state publicity rights and is completely independent of the factual issues Respondents now cite.

Wendt and Ratzenberger's argument that review should be denied because of "unresolved legal issues" should also be rejected. The legal issues that Respondents now claim, for the first time, that "no court has yet determined"—namely, "that (1) the characters Norm and Cliff are copyrightable; (2) Paramount owns the exclusive rights to those characters; [and] that (3) Host's robots are protectable derivative works" (Resp. Opp. Br. at 10)—have in fact *all* been ruled upon by the district court below, which held that:

- "Paramount owns the copyright to each episode of the television series known as 'Cheers' and to all copyrightable components contained therein, including the fictional characters 'Norm' and 'Cliff' and any derivative works." (Pet. at 20a.)
- "Plaintiffs have no rights, proprietary or otherwise, in the fictional characters 'Norm' and 'Cliff'. Plaintiffs have no rights, proprietary or otherwise, in their respective portrayals of the fictional characters 'Norm' and 'Cliff'." (Pet. at 21a.)
- "[Host's robots] are derivative works of the 'Cheers' television series." (Pet. at 20a.)

Wendt and Ratzenberger never raised any objections to these conclusions below. As the court of appeals noted, Wendt and Ratzenberger have, throughout this litigation, "freely concede[d] that they retain no rights to the characters Norm and Cliff." (Pet. at 8a.) They cannot now claim that these matters are "unresolved" when they were, in fact, not disputed and resolved in Petitioners' favor.

3. Wendt and Ratzenberger offer little by way of substantive arguments in response to Petitioners' demonstration that the Ninth Circuit's decision in this case is contrary to conflict preemption, Dormant Copyright Clause, and First Amendment jurisprudence. Rather, Respondents merely claim that Petitioners waived these arguments by failing to raise them below. (Resp. Opp. Br. at 26-29.) Under this

Court's precedents, however, none of Petitioners' arguments have been waived.

Arguments are not waived if they are *either* raised *or* passed upon below. In *United States* v. *Williams*, 504 U.S. 36, 41 (1992), the Court held that:

> "Our traditional rule . . . precludes a grant of *certiorari* only when 'the question presented was not pressed or passed upon below'. . . . [T]his rule operates (as it is phrased) in the disjunctive, permitting review of an issue not pressed so long as it has been passed upon. . . ."

Williams, 504 U.S. at 41; *see also Stevens* v. *Department of Treasury*, 500 U.S. 1, 8 (1991) (granting *certiorari* where issue was passed upon but not raised below); *Lebron* v. *National Railroad Passenger Corp.*, 513 U.S. 374, 379 (1995) ("Our practice 'permit[s] review of an issue not pressed so long as it has been passed upon . . . .' ") (citation omitted). Moreover, this rule is not inflexible, particularly in cases coming from the federal courts. *See, e.g., Capital Cities Cable, Inc.* v. *Crisp*, 467 U.S. 691, 697 (1984).

Petitioners' claims were all raised *and* ruled upon below. Wendt and Ratzenberger's argument that Petitioners somehow waived their conflict preemption and Dormant Copyright Clause arguments below—even though Petitioners squarely raised the issue of copyright preemption—ignores a long line of this Court's precedents holding that "[o]nce a federal claim is properly presented, a party can make any argument in support of that claim; parties are not limited to the precise arguments they made below." *Yee* v. *City of Escondido*, 503 U.S. 519, 534 (1992); *see also Bankers Life & Casualty Co.* v. *Crenshaw*, 486 U.S. 71, 78 n.2 (1988) ("mere enlargement" of claims raised below is permitted); *Dewey* v. *City of Des Moines*, 173 U.S. 193, 197-98 (1899) ("Parties are not confined here to the same arguments which were advanced in the courts below upon a federal question there discussed.").

In *Yee*, for instance, the petitioners raised new arguments before this Court in support of a takings claim they made in the state courts below. In rejecting the argument that petitioners waived these arguments, the Court held that:

> "Petitioners' arguments that the ordinance constitutes a taking in two different ways, by physical occupation and by regulation, are not separate claims. They are, rather, separate arguments in support of a single claim—that the ordinance effects an unconstitutional taking. Having raised a taking claim in the state courts, therefore, petitioners could have formulated any argument they liked in support of that claim here."

Yee, 503 U.S. at 534-35.

Likewise, in this case, the fact that the Petitioners raised a copyright preemption claim below is sufficient to preserve all arguments in support of that claim. In any event, even if those arguments could be considered to be separate "claims," they were preserved by Judge Kozinski's analysis of them in his dissenting opinion to the denial of rehearing *en banc*—which makes clear that the court of appeals passed on these issues in denying rehearing. (Pet. at 41a-46a.)

Petitioners' First Amendment claim was also raised and ruled upon below. In Petitioners' petition for rehearing *en banc*, Paramount and Host both argued that the Ninth Circuit's opinion in this case conflicted with the California Court of Appeals' decision in *Polydoros* v. *Twentieth Century Fox Film Corp.*, 67 Cal. Rptr. 2d 305 (Ct. App. 1997), which struck down on First Amendment grounds a right of publicity claim asserted by an individual who claimed that his name and likeness had been misappropriated for commercial use in a fictional film. (Pet. at 7.) This alone is sufficient to preserve Petitioners' First Amendment claim. *See Hathorn* v. *Lovorn*, 457 U.S. 255, 262-65 (1982) (granting *certiorari* concerning claims that were raised for the first time, but not passed upon, in the Mississippi Supreme Court on a petition for rehearing). Judge Kozinski's dissenting opinion, how-

ever—which addresses the First Amendment issue at length—erases all doubt about whether Petitioners preserved their First Amendment arguments. (Pet. at 46a-48a.) Because the Ninth Circuit addressed the First Amendment issue, Petitioners may clearly raise it here. *Williams*, 504 U.S. at 41; *Stevens*, 500 U.S. at 8; *Lebron*, 513 U.S. at 379.

4. Wendt and Ratzenberger do not and cannot dispute that the Ninth Circuit's opinion in this case—as well as the Fifth Circuit's opinion in *Brown* v. *Ames*, 201 F.3d 654 (5th Cir. 2000)—applies an express preemption test that is facially at odds with that applied in the Seventh Circuit's decision in *Baltimore Orioles, Inc.* v. *Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir. 1986), *cert. denied*, 480 U.S. 941 (1987). While Wendt and Ratzenberger strain to argue that the facts of *Baltimore Orioles* are distinguishable (Resp. Opp. Br. at 22-23),[7] they cannot escape the fact that the Seventh Circuit's analysis of the first prong of the test for preemption under section 301 of the Copyright Act examines the *work alleged to have violated the right of publicity*, whereas the Ninth and Fifth Circuits' first-prong analysis examines the *item being protected by the right of publicity*. (Pet. at 10-11.) Nor can Respondents explain away the fact that the Seventh Circuit applied the second prong of its express preemption test to right of publicity claims differently than the Ninth and Fifth Circuits did—and that that different approach, if applied to the facts of this case, would indisputably lead to a finding of preemption. This Court should grant review to resolve this important circuit conflict.

Moreover, it is no answer to the conflict—or to the determination of how to resolve it—for Respondents to maintain

[7] Respondents' attempt to distinguish *Baltimore Orioles* on the ground that it applies only to right of publicity claims made "in a performance that has been reduced to tangible form" is unconvincing. Respondents fail to provide any principled reasons as to why that factual distinction has any legal significance. What is important—and what cannot seriously be disputed—is that the Seventh Circuit's express preemption test, if applied to the facts of this case, would lead to a contrary result than that reached by the Ninth Circuit.

that they are merely seeking to protect their right to sell "their own personas and identities as human beings" (Opp. Br. 12-13), which are not subject to copyright protection. This is simply another way of restating the key question in the case, not of answering it. Since the reality, as Judge Kozinski pointed out, is that "to millions of viewers, Wendt and Ratzenberger are Norm and Cliff" and that it is "impossible to exploit the former without also exploiting the latter" (Pet. at 42a), the core question remains whether Respondents *may* control their "personas" in a manner that prevents Petitioners from exercising "the right to exploit the Cheers characters" under the Copyright Act.

Respondents further argue that the express preemption test applied by the Ninth and Fifth Circuits is the correct one because the test applied by the Seventh Circuit is "circular and unworkable." (Resp. Opp. Br. at 14n.) But as illustrated by the California Court of Appeals decision in *Fleet* v. *CBS, Inc.*, 58 Cal. Rptr. 2d 645 (Ct. App. 1996), it is the test of the Ninth and Fifth Circuits that more aptly fits this description.

Respondents miss our point in discussing *Fleet* entirely. It is less significant that the Ninth Circuit's decision in this case directly conflicts with the decision in *Fleet* than it is that the obvious result in *Fleet*—that a right of publicity claim directed at preventing the display of a copyrighted work itself is preempted—cannot be reached using the Ninth Circuit's express preemption analysis. This is because, in the end, the Ninth Circuit's analysis inevitably leads to the conclusion that right of publicity claims—which, by definition, protect items that are not copyrightable—are not preempted by copyright. In contrast, under the Seventh Circuit's analysis, some but not all, right of publicity claims will be preempted.

Respondents' argument that the test articulated by the Ninth Circuit is the correct one because it is supported by a long line of Ninth Circuit precedents (Resp. Opp. Br. at 15-18) also misses the point. It is precisely this long line of wrongly-decided Ninth Circuit cases that has set that court on

the collision course described in our opening brief with copyright and First Amendment jurisprudence in the first place.

Respondents also fail to respond substantively to Petitioners' conflict preemption arguments. As this Court has recently reaffirmed, conflict preemption is appropriate "where it is impossible for a private party to comply with both state and federal law, and where 'under the circumstances of [a] particular case, [the challenged state law] stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.' " *Crosby* v. *National Foreign Trade Council*, No. 99-474, 2000 WL 775550, at *6 (U.S. June 19, 2000). The Ninth Circuit's overbroad interpretation of the California right of publicity—as applied to this case—has been widely criticized as conflicting directly with Petitioners' exclusive rights under federal copyright law to create and depict derivative works. *See, e.g.*, 1 Nimmer § 1.01[B][3][c] note 286.20 at 1-66.1. It is this direct conflict that makes this case so unique: the Ninth Circuit has applied the right of publicity so broadly as to prevent copyright owners from doing nothing more than exercising their exclusive right to display a derivative work.

Respondents' reliance on *Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. 141, 166-67 (1989) is entirely misplaced. (Resp. Opp. Br. at 27-28.) This is because, notwithstanding Respondents' claim to the contrary, the legislative history of section 301 does *not* expressly conclude that copyright never preempts the right of publicity, but only that copyright will preempt *some* right of publicity claims. *See* H.R. Rep. No. 94-1476, at 132, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748. Because Congress never determined—as Respondents claim—that right of publicity claims categorically "do not conflict with the purposes or objectives of the Copyright Act," this Court's decision in *Bonito Boats* does not apply. (Resp. Br. Opp. at 28.)

Finally, Respondents also fail to provide *any* substantive response to Petitioners' Dormant Copyright Clause and First Amendment arguments. Far from being "academic" or "spec-

ulative" (Resp. Opp. Br. at 28-30), Petitioners' First Amendment and Dormant Copyright Clause concerns are concrete and immediate, as set forth in both our petition and in Judge Kozinski's dissenting opinion. (Pet. at 19-29, 46a-48a.)

CONCLUSION

The petition for a writ of *certiorari* should be granted.

Dated: New York, New York
June 29, 2000

Respectfully submitted,

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APPENDIX

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93 0142 R
Filed Jan 12, 1993

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual

Plaintiffs,

vs.

HOST INTERNATIONAL, Inc., a Delaware corporation,

Defendant.

COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR:

1) Unfair Competition [15 U.S.C. § 1125(A)]
2) Infringement of Right of Publicity
3) Invasion of Privacy by Appropriation of Name and Likeness [Cal. Civ. code § 3344]
4) Invasion of Privacy
5) Unfair Business Practices [bus. & Prof. Code § 17200 *et seq.*]
6) Unjust Enrichment

TRIAL BY JURY DEMANDED
(F.R.Civ.P. Rule 38)

Plaintiffs George Wendt and John D. Ratzenberger (hereinafter jointly referred to, where the context permits, as "Plaintiffs") complain and allege as follows:

JURISDICTION AND VENUE

1. That, this action arises under the Lanham Act, 15 U.S.C. Sections 1051, *et seq.*, and pendant claims. Further, that this case represents an action between citizens of different states and the amount in controversy exclusive of interest and costs exceeds the sum of $50,000.00. Jurisdiction is conferred upon this Court by 15 U.S.C. Sections 1051 *et seq.* and 28 U.S.C. Sections 1331, 1332 and 1338.

2. That, venue lies in the Central District of California pursuant to 28 U.S.C. 1391(b) on the grounds that a substantial part of the events or omissions giving rise to the claim on which this action is based occurred herein, and, alternatively, pursuant to 28 U.S.C. 1391(c) on the grounds that Defendant is a corporation doing business in this judicial district.

PARTIES

3. That, Plaintiff George Wendt ("Wendt"), an individual, is a resident of the State of California.

4. That, Plaintiff John D. Ratzenberger ("Ratzenberger"), an individual, is a resident of the State of California.

5. That, Plaintiffs are informed and believe, and thereby allege, that Defendant Host International, Inc. (referred to

herein as "Defendant Host") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business situated in the District of Columbia. Further, that Defendant Host is qualified to do business in the State of California.

COMMON ALLEGATIONS

6. That, Plaintiff Wendt is, and at all times relevant was, a professional actor/comedian who has invested substantial time, energy and finances in the perfection of his artistry, and as a result thereof has achieved considerable professional success and notoriety by virtue of his numerous performances on stage, screen and television.

7. That, in or about 1982 Plaintiff Wendt was engaged as a principal cast member to perform the role of "Norm" in a television series to become known as "Cheers."

8. That, Plaintiff Ratzenberger, likewise, is, and at all times relevant was, a professional actor/comedian who has invested substantial time, energy and finances in the perfection of his artistry, and as a result thereof has achieved considerable professional success and notoriety by virtue of his numerous performances on stage, screen and television.

9. That, in or about 1982 Plaintiff Ratzenberger was engaged as a principal cast member to perform the role of "Cliff" in a television series to become known as "Cheers."

10. That, from the inception of "Cheers" to the present, Plaintiffs have exclusively performed the respective roles of "Norm" and "Cliff" therein.

11. That, from 1982 to the present the television series "Cheers" has been broadcast continuously, enjoying both popular and critical success, winning 26 Emmy Awards, and attaining the status of the top-rated television program for the 1990-91 season.

12. That, by virtue of Plaintiffs' unique artistry in their rendition of their respective characters on "Cheers" in addition to, and augmented by their other professional performances throughout their careers, Plaintiffs' names, likenesses, identities and *personas* have become widely-known to a substantial segment of the domestic and international public, and, thereby, their names, likenesses, identities and *personas* have become valuable assets, symbolizing the Plaintiffs, their quality of performance, and their goodwill.

13. That, Plaintiffs' respective interests in their goodwill represent valuable commercial assets which they alone have the right to license and exploit.

14. That, Defendant Host is in the business of, *inter alia*, operating food and beverage facilities in airports throughout the United States, and the world.

15. That, in or about 1991, Defendant Host, under a limited license from Paramount Pictures, the producer of "Cheers," introduced, in several airports throughout the United States, bars designed as facsimiles of the "Cheers" bar, and otherwise thematically conceived to approximate the subjective environment of the fictional milieu of the aforementioned television series.

16. That, in connection with Defendant Host's exploitation of the "Cheers" bar concept, it introduced in such venues, lifesize, animatronic replications designed to impersonate, appear as, and otherwise to invoke in the minds of the general public, the images, likenesses, identities and *personas* of Plaintiffs in the portrayal of their respective roles of "Norm" and "Cliff."

17. That, Defendant Host, in connection with the installation of these robotic figures, sought and continues to seek to exploit through three dimensional, mechanical animation, the totality of Plaintiffs' personal characteristics, for

the avowed purpose of associating in the minds of its patrons and consumers references to the Plaintiffs.

18. That, said animatronic exploitations of the images, likenesses, identities and *personas* of Plaintiffs, have been without any grant of rights or license by Plaintiffs to Defendant Host, and represent an intentional misappropriation, and infringement of Plaintiffs' individual rights.

19. That, by letter dated December 10, 1992, counsel for Plaintiffs demanded that Defendant Host immediately cease and desist from any further misappropriation or exploitation of Plaintiffs' identities, a copy of which letter is attached hereto, made a part hereof, and marked Exhibit "A."

20. That, notwithstanding said demand, Defendant Host has failed and refused to comply with Plaintiffs' request and otherwise continues its unlawful course of conduct designed to deliberately infringe upon Plaintiffs' rights.

21. That, Defendant Host's manifest intention to continue its unlawful exploitations has left Plaintiffs no alternative but to seek protection of their rights and reputation in this action.

FIRST CLAIM FOR RELIEF
(Unfair Competition [15 U.S.C. §1125 (a)])

22. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21 of their Complaint as though the same were set forth here in their entirety.

23. That, Plaintiffs are informed and believe, and thereon allege, that Defendant Host, on behalf of itself and/or others, has embarked upon a course of conduct to unlawfully utilize Plaintiffs' *personas* by incorporating Plaintiffs' identities in the above-described animatronic replications placed in its "Cheers" operations in interstate commerce, and has advertised and sold, and is currently

advertising and selling, in interstate commerce, products, merchandise, goods and services from Defendant Host's "Cheers" operations.

24. That, Defendant Host's misappropriation of Plaintiffs' *personas* is likely to cause confusion, mistake or deception among consumers as to the source and endorsement of Defendant Host's goods and services by implying that Defendant Host's goods and services originate from, are affiliated with, or are approved by Plaintiffs, and, thus, constitutes unfair competition and a false designation of origin, and is violative of Plaintiffs' rights. Plaintiffs are informed and believe, and thereon allege, that Defendant Host used and continues to use Plaintiffs' identities with the intent to cause such confusion, mistake and deception, and with the hopes of profiting therefrom.

25. That, by reason of Defendant Host's wrongful acts of unfair competition as alleged herein, Plaintiffs have been damaged in an amount to be determined at trial.

26. That, Plaintiffs are informed and believe, and thereon allege, that unless restrained by this Court, Defendant Host will continue to unfairly compete with Plaintiffs, thus causing confusion and deception in the marketplace, and engendering a multiplicity of judicial proceedings. Unless restrained by this Court, irreparable harm is likely to occur to Plaintiffs, and pecuniary compensation will not afford Plaintiffs adequate relief for the damage to their goodwill.

SECOND CLAIM FOR RELIEF
(Right of Publicity)

27. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21, and 23 through 26 of their Complaint as though the same were set forth here in their entirety.

28. That, in or about 1991 and continuing to date, Defendant Host, knowingly invaded Plaintiffs' rights of publicity by incorporating Plaintiffs' identities into animatronic replications in its "Cheers" operations.

29. That, Defendant Host's invaded Plaintiffs' rights intentionally and with full and complete knowledge that its use of Plaintiffs identities was unauthorized and without the prior license or consent of Plaintiffs.

30. That, Defendant Host invaded Plaintiffs' rights to attract attention and evoke a desired response from Defendant Host's consumers for the purpose of advertising and soliciting purchases of Defendant Host's products, merchandise, goods and services, thereby converting potential economic value in Plaintiffs' identities to Defendant Host's commercial advantage.

31. That, Defendant Host's conversion of Plaintiffs' rights of publicity usurps Plaintiffs' ability to control their public image and dilutes their ability to effectively market such image, all to the detriment of Plaintiffs' reputation and goodwill.

32. That, Plaintiffs are informed and believe, and thereon allege that, as a proximate result of advantage accruing to Defendant Host from its infringement of Plaintiff's' *personas*, and as a proximate result of Defendant Host's wrongful use of Plaintiffs' international identities in connection with Defendant Host's publicity, advertising and sale of its goods and services, as hereinabove alleged, the Plaintiffs have been and/or will be deprived of monetary sums in an amount to be determined at trial.

33. That, Defendant Host's intentional actions, as described hereinabove, amount to malice as Defendant Host's acts were carried on with a willful and conscious disregard of Plaintiffs' rights. Plaintiffs therefore seek an award of punitive damages.

34. Plaintiffs are informed and believe, and thereon allege, that unless restrained by this Court, Defendant Host will continue to infringe Plaintiffs' rights of publicity engendering a multiplicity of judicial proceedings. Unless restrained by this Court, irreparable harm is likely to occur to Plaintiffs, and pecuniary compensation will not afford Plaintiffs adequate relief for the damages to their goodwill.

THIRD CLAIM FOR RELIEF
(Invasion of Privacy by Commercial Appropriation [Cal.Civ.Code § 3344])

35. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21, 23 through 26, and 28 through 34 of their Complaint as though the same were set forth here in their entirety.

36. That, in or about 1991 and continuing to date, Defendant Host, knowingly and without Plaintiffs' prior consent, invaded Plaintiffs' right to privacy by appropriating Plaintiffs' *personas* by incorporating Plaintiffs' identities into animatronic replications in its "Cheers" operations thereby implying Plaintiffs assistance and endorsement of Defendant Host's operations.

37. That, Defendant Host's embarked on such course of conduct knowing that such appropriation was unauthorized, unlicensed and without the prior consent of Plaintiffs.

38. That, Defendant Host's conduct involved the appropriation of Plaintiffs' *personas* in that Plaintiffs are identifiable celebrities and a significant segment of the general population can reasonably determine that Plaintiffs are impersonated by Defendant Host's robotic replications.

39. That, the appropriation of Plaintiffs' identities by Defendant Host was, and continues to be, for the purpose

of advertising and soliciting purchases of products, merchandise, goods and services from Defendant Host's "Cheers" operations.

40. That, Defendant Host's use of Plaintiffs' identities has resulted in a commercial advantage to Defendant Host and is violative of Plaintiffs' rights.

41. That, by reason of Defendant Host's wrongful acts of appropriation of Plaintiffs' *personas* as alleged herein, Plaintiffs have been damaged in an amount to be determined at trial.

42. That, Defendant Host's intentional actions, as described hereinabove, were conducted with malice in that Defendant Host's acts were carried on with a willful and conscious disregard of Plaintiffs' rights. Plaintiffs therefore seek an award of punitive damages.

43. That, Plaintiffs are informed and believe, and thereon allege, that unless restrained by this Court, Defendant Host will continue to appropriate Plaintiffs' *personas* to Defendant Host's advantage, thus causing confusion and deception in the marketplace, and engendering a multiplicity of judicial proceedings. Unless restrained by this Court, irreparable harm is likely to occur to Plaintiffs, and pecuniary compensation will not afford Plaintiffs adequate relief for the damage to their goodwill.

FOURTH CLAIM FOR RELIEF
(Common Law Invasion of Privacy)

44. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21, 23 through 26, 28 through 34, and 36 through 43 of their Complaint as though the same were set forth here in their entirety.

45. That, in or about 1991 and continuing to the present, Defendant Host, without Plaintiffs' consent, invaded Plain-

tiffs' common law right to privacy by appropriating Plaintiffs' *personas* by incorporating Plaintiffs' identities into animatronic replications in its "Cheers" operations thereby implying Plaintiffs assistance, sponsorship and/or endorsement of Defendant Host's operations.

46. That, Defendant Host's appropriation was knowingly unauthorized, unlicensed and without Plaintiffs consent.

47. That, Defendant Host's conduct involved the appropriation of Plaintiffs' *personas* in that the use of Plaintiffs identities in association with Defendant Host's animatronic replications implied Plaintiffs assistance with their preparation and/or construction, and constituted the exploitation of Plaintiffs' celebrity status.

48. That, said misappropriation was for Defendant Host's advantage in that it was for Defendant Host's pecuniary gain and profit.

49. That, Defendant Host's use of Plaintiffs' *personas* has resulted in a commercial advantage to Defendant Host and is violative of Plaintiffs' rights.

50. That, by reason of Defendant Host's wrongful acts of misappropriation of Plaintiffs' *personas* as alleged herein, Plaintiffs have been damaged in an amount to be determined at trial.

51. That, Defendant Host's intentional actions, as described hereinabove, were conducted with malice as Defendant Host's acts were carried on with willful and conscious disregard of Plaintiffs' rights. Plaintiffs therefore seek an award of punitive damages.

52. That, Plaintiffs are informed and believe, and thereon allege, that unless restrained by this Court, Defendant Host will continue to appropriate Plaintiffs' *personas* to Defendant Host's advantage, thus causing confusion and deception in the marketplace, and engendering a multiplicity of

judicial proceedings. Unless restrained by this Court, irreparable harm is likely to occur to Plaintiffs, and pecuniary compensation will not afford Plaintiffs adequate relief for the damage to their goodwill.

FIFTH CLAIM FOR RELIEF
(Unfair Business Practices;
Business & Professions Code §§ 17200 *et seq.*)

53. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21, 23 through 26, 28 through 34, 36 through 43, and 45 through 52 of their Complaint as though the same were set forth here in their entirety.

54. That, Defendant Host's use of Plaintiffs' *personas* by incorporating Plaintiffs' identities into animatronic replications in its "Cheers" operations creates a likelihood that Plaintiffs' customers, potential customers, and the public generally will be confused or misled as to the source of Defendant Host's goods or services in that they are likely to believe that Plaintiffs' business is affiliated with that of Defendant Host, all to the irreparable injury of Plaintiffs' business and goodwill, and to the unjust enrichment of Defendant Host.

55. That, Defendant Host's continuing course of conduct in incorporating Plaintiffs' identities into animatronic replications in its "Cheers' operations constitutes unfair and improper business practices, which will likely cause irreparable injury to Plaintiffs.

56. That, Defendant Host's intentional actions, as described hereinabove, were conducted with malice in that Defendant Host carried on such conduct with a willful and conscious disregard of Plaintiffs' rights. Plaintiffs therefore seek an award of punitive damages.

57. That, Plaintiffs have no adequate remedy of law in that it will be extremely difficult to ascertain the true extent of damages to Plaintiffs' business and goodwill as a result of Defendant Host's wrongful actions as alleged herein. Accordingly, Plaintiffs are entitled to a preliminary and permanent injunction restraining Defendant Host from any further unlawful conduct.

SIXTH CLAIM FOR RELIEF
(Unjust Enrichment)

58. That, Plaintiffs hereby repeat and reallege Paragraphs 1 through 21, 23 through 26, 28 through 34, 36 through 43, and 54 through 57 of their Complaint as though the same were set forth here in their entirety.

59. That, by virtue of Defendant Host's unlawful misappropriation of Plaintiffs' images, likenesses, identities and *personas*, Defendant Host has been unjustly enriched to the detriment of Plaintiffs.

60. That, Defendant Host's intentional actions, as described hereinabove, were conducted with malice in that Defendant Host carried on such conduct with a willful and conscious disregard of Plaintiffs' rights. Plaintiffs therefore seek an award of punitive damages.

WHEREFORE, Plaintiffs George Wendt and John D. Ratzenberger pray for relief as follows:

1. On the First Claim for Relief:

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For the Court to determine that this is an exceptional case and award Plaintiffs' attorneys fees.

2. On the Second Claim for Relief:

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For an award of punitive damages.

3. On the Third Claim for Relief:

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For an award of punitive damages.

4. On the Fourth Claim for Relief

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For an award of punitive damages.

5. On the Fifth Claim for Relief

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For an award of punitive damages.

6. On the Sixth Claim for Relief

a. For a preliminary and permanent injunction enjoining Defendant Host from exploiting Plaintiffs' images, likenesses, identities or *personas* by incorporation in animatronic replications or otherwise; and,

b. For an accounting of all revenues derived from Defendant Host's "Cheers" operations; and,

c. For Plaintiffs' damages to be determined at trial; and,

d. For an award of punitive damages.

7. On All Claims for Relief:

a. For costs of suit incurred herein; and

b. For such other and further relief as the Court may deem just and proper, and which may otherwise be provided for by statute.

Dated: January 5, 1993

FREYDL & ASSOCIATES
T. Patrick Freydl
Thomas G. Moglovkin

By: T. PATRICK FREYDL
T. PATRICK FREYDL
Attorneys for Plaintiffs George Wendt and John D. Ratzenberg

VERIFICATION

I, George Wendt, am a plaintiff in the above-entitled action, I have read the foregoing complaint and know the contents thereof. The allegations therein are true to the best of my knowledge, except as to those matters which are therein alleged on information and belief, and as to those matters, I believe the same to be true.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated:

GEORGE WENDT

I, John D. Ratzenberger, am a plaintiff in the above-entitled action, I have read the foregoing complaint and know the contents thereof. The allegations therein are true to the best of my knowledge, except as to those matters which are therein alleged on information and belief, and as to those matters, I believe the same to be true.

I declare under the penalty of perjury under the laws of the State of California that the foregoing in true and correct.

Dated: JOHN D. RATZENBERGER

DEMAND FOR TRIAL BY JURY

Plaintiffs hereby demand a trial by jury, pursuant to Rule 38 of the Federal Rules of Civil Procedure, of all issues raised by their Complaint herein.

Dated: January 5, 1993 FREYDL & ASSOCIATES
T. Patrick Freydl
Thomas G. Moglovkin

By: T. PATRICK FREYDL
T. PATRICK FREYDL
Attorneys for Plaintiffs George Wendt and John D. Ratzenberg